

***United States Court of Appeals
for the Second Circuit***



APPENDIX

ORIGINAL

74-2026

United States Court of Appeals

For the Second Circuit.

THE UNITED STATES OF AMERICA,

Plaintiff-Appellee,

vs.

MILTON COHEN, BERNARD DEUTSCH and STANLEY DUBOFF,
Defendants-Appellants.

*On Appeal From The United States District Court
for The Southern District of New York*

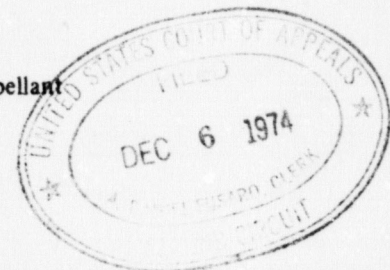
JOINT APPENDIX
(Vol. IV — Pages 2127-2201)

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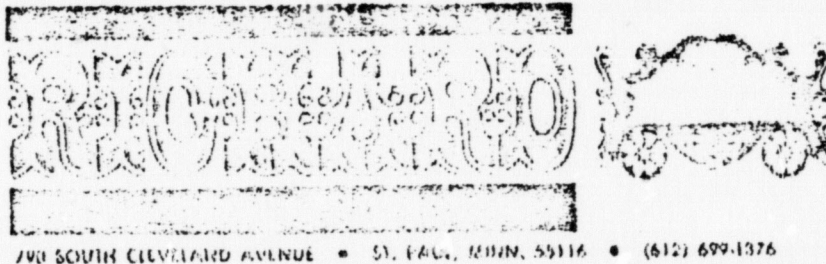
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DEFENDANT COHEN'S EXHIBIT F -LETTER DATED 3/5/69



700 SOUTH CLEVELAND AVENUE • ST. PAUL, MINN. 55116 • (612) 699-1376

March 5, 1969

Kelly, Andrew & Bradley, Inc.
111 John St.
New York, N. Y. 10038
Attn: Bernard Shwidock

Dear Bernie,

As per our conversation we expect that the registration of 10,000 shares of Richard Packing Co. should be effective around the week of March 10. I would appreciate your handling of the sale. We would not expect to get less than \$28.00 per share.

It was a pleasure meeting you on my last trip to New York.

Sincerely,

M. J. Cohen
M. J. Cohen

WJC/ea

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2128

DEFENDANT COHEN'S EXHIBIT H-LETTER

*Delivered to
Corporate Dept.*



790 SOUTH CLEVELAND AVENUE • ST. PAUL, MINN. 55115 • 612/677-1376

Dear Al:

Spoke to Fernie re: the stock dividends of May and July.

First, he has done this many times.

Secondly, it is a venturism from the stockholders point of view, and

most important of all, he wants all of the funds he deals with to know

at once of a double dividend. They are interested in some float of stock

and presently maintain that there is not enough stock out.

Thanks, Al

ONLY COPY AVAILABLE

DEFENDANT COHEN'S EXHIBIT R-YEAR END REPORT

2129

Richards Packing Company, Inc.

BALANCE SHEET As of June 30th, 1968 ASSETS

CURRENT ASSETS		
Highland Park State Bank	1,829.21	
Accounts Receivable-Trade	223,656.21	
Accounts Receivable-Machinery	4,332.33	
Restaurant Franchise Deposit	800.00	
Savings Account - T. C. Federal	166,210.07	
Inventory - Meat	27,136.72	
Inventory - Supplies	3,379.04	
Total Current Assets		427,343.58

FIXED ASSETS		
Equipment	102,193.40	
Depreciation Reserve	56,928.63	45,264.77
Improvements	1,471.20	
Depreciation Reserve	1,164.47	306.73
Autos and Trucks	13,534.62	
Depreciation Reserve	6,272.44	7,262.18
Total Fixed Assets		52,833.68

OTHER ASSETS		
Incorporating Fees		5,563.62
Total Assets		485,740.88

LIABILITIES		
CURRENT LIABILITIES		
Wages Payable	499.44	
Payroll Taxes Payable	4,261.12	
Accounts Payable	36,998.18	
Notes Payable-Highland Bank	29,399.10	
Notes Payable-Highland Bank	4,900.00	
Total Current Liabilities		76,057.84

NET WORTH		
REPRESENTED BY:		
Capital Stock Outstanding (475,000 Shares @ 10¢ Par Value)	200,000.00	
Earned Surplus	48,104.99	
Profit to Date	161,578.05	
Total Net Worth		409,683.04
Total Liabilities and Net Worth		485,740.88

PROFIT AND LOSS STATEMENT July 1st 1967 thru June 30th, 1968

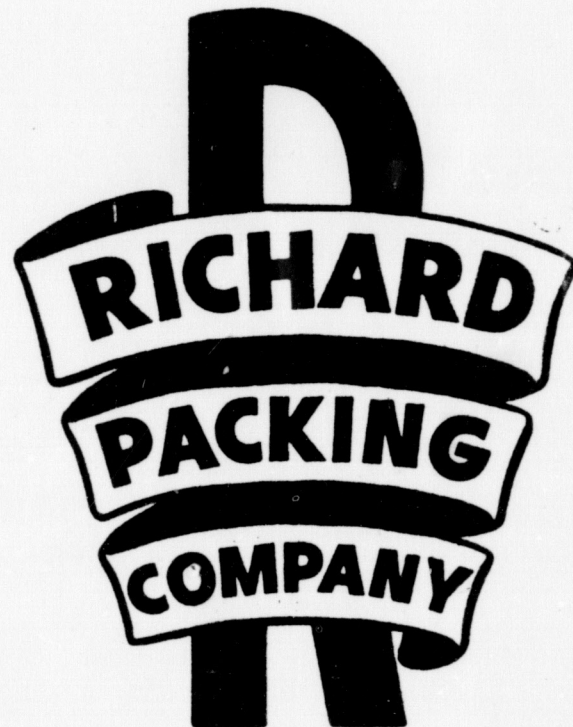
SALES		
Inventory July 1st, 1967	8,159.70	755,197.39
Purchases	403,430.10	
Supplies	24,041.48	
Wages	50,388.14	
	486,027.42	
Inventory June 30th, 1968	27,136.72	
Cost of Goods Sold		458,890.70
Gross Profit on Sales		296,306.69

EXPENSES		
Officers Salaries	50,000.00	
Auto Rental	650.14	
Stock Transfer Fees	1,621.07	
Accounting and Legal	2,825.28	
Bank Charges	85.52	
Brokerage Fees	3,180.75	
Commissions	5,030.51	
Delivery and Auto	3,285.41	
Dues and Subscriptions	338.45	
Gas and Electric	6,297.14	
Equipment Rental	1,560.00	
Exterminators	70.56	
Franchise	4,009.76	
Inspections	1,219.60	
Insurance	4,656.78	
Interest	2,353.60	
Maintenance and Repairs	8,939.04	
Promotion and Advertising	4,321.16	
Premiums	1,618.50	
Personal Property Tax	174.42	
Postage and Office Supplies	553.93	
Rubbish	70.00	
Payroll Tax Expense	6,246.55	
Rent and Real Estate Tax	8,213.54	
Storage	1,284.46	
License	1.00	
Telephone	2,252.27	
Travel	971.45	
Union Dues	79.50	
Depreciation	17,113.02	
Water	453.60	
Moving Expense	162.80	
Alarm	96.00	
Incorporating Fees	1,390.90	
Total Expenses		140,938.71
Net Profit		155,367.98

OTHER INCOME		
Interest Earned	6,210.07	
Net Profit		161,578.05

Pre Tax Per Share	.34
-------------------	-----

Richard Packing Co.



YEAR END REPORT

1523 North Concord
South St. Paul, Minn. 55107

TO OUR STOCKHOLDERS:

I am pleased to send you this year end report of operations for the period ending June 30th, 1968.

After allowances of \$28,405.66 for depreciation, amortization and plant improvement, and also operating under the most adverse market conditions in the prices of raw materials, the company profit was \$161,578.05, pre tax.

This was a year of great progress as far as developing the framework from which the company can pursue large scale expansion, both in the meat processing field and also in the "drive-in", "walk-in" franchise restaurant fields.

A national agreement has been signed with Status International, a marketing and sales organization, specializing in the sale of franchise concepts. Richard Packing company's program was selected by "Status" from a group of competitive concepts. Status International will market the Richard Packing drive in and walk in program from seven regional offices, either presently operating or to be operated in the very near future. Its first office and sales program is presently conducted in Los Angeles, California.

In addition it is Status's intention to sell the Richard Package from seven pilots to be constructed in the near future within the various Status regions, namely, Toronto, New York, Los Angeles, Dallas, Chicago, Miami, and Minneapolis. A specific sales oriented operator in each division will be assigned specifically to the Richard drive in, walk in program. It is Status' plan to sell 50 units in their first year of operation.

Status International is presently headed by Mr. William Ward, former head of Diners Club International. He comes to the Status firm with great experience and knowledge of franchising on a national basis. Your company considers the "tieup" with this concern a major impetus to its franchise program.

At this writing, Richard Packing Company, has in registration, a new public company to be known as Richard Franchise Investment Company. This company will be traded in the national over the counter market. It is contemplated to raise \$1,500,000 in this financial program. Richard Franchise Investment will be the real estate and financial arm for the Richard Packing Company drive-ins and will also seek other investments for its own portfolio. This financial operation should greatly enhance the franchise program.

Negotiations presently are in progress for Richard Packing Company to purchase a portion control meat firm with a profitable volume of \$1,000,000 per year, presently operating in the state of New York. It is planned to combine this operation with a large patty operation within a new 12,000 square foot plant to be located in New York city. The patty operation is expected to be twice the size of the present Richard Packing operation in South St. Paul, Minnesota, and will serve a dual purpose; to supply the Richard drive-ins along the east coast, and also to serve the states of New York and New Jersey with patties.

Richard Packing Company has also engaged the services of a Public Relations Firm based in Chicago, as a financial public relations firm. It will be the responsibility of the firm to educate and publicize the aims and progress of the company to various brokers and analysts throughout the country.

The programs heretofor mentioned will be in operation within a short period of time. Plans for all of the projects are well underway and have definite timetables so that progress is insured.

Management does wish to thank our employees and our shareholders for their continued loyalty.

Respectfully,

Milton Cohen

M. Cohen, Pres.

2131

DEFENDANT COHEN'S EXHIBIT U - LETTER DATED 12/24/69

To: Ron Stuart

12/24/69

From: Gerald O'Meara

Subject: Richard Packing

This investment is turning out splendidly. We bought 50,000 shares last spring. The company has since had two 25% stock dividends. We now have 78,125 shares at an adjusted cost of \$17. Richard Packing even in this bear market now sells at \$43. The company provided the seed money for Status Marketing Co. and now owns 90,000 shares of latter stock of that company which it is carrying on its books at 1¢ a share or \$900 in total. Status is now public and selling at \$12 a share. Thus Richard Packing has a market value asset here of over \$1 million.

This same procedure is going on continuously within Richard Packing. It spawned Richard a franchise investment company which now sells at \$16 a share. It is now coming public with 2 more companies. One is the Bill Cosby soul food concern and another is a franchise business leasing and buying cars which has had very rapid growth. 300 cars are already out on lease. Richard Packing has aggressive management and is backed by Jaffe & Co. an equally aggressive investment banking house.

Richard Packing's own franchise program is going well. The company has 1 unit operating, 16 being built and 68 have been sold. All is less than 9 months.

The company has expanded so fast that its earnings will be little better than break-even in 1969 with a huge gain set for 1970. Management won't make a prediction as to just how much. Its just too early for the 3 to 5 years ahead.

An earnings report for 1969 should be coming to us within 2 weeks and management will be coming here during the week of January 12th.

2132

Cohen
DEFENDANT COHEN'S EXHIBIT W - LETTER DATED 3/16/70

Memo to: Ron Stuart

March 16, 1970

From: Gerald O'Meara

Re: Richard Packing

The company is doing splendidly. It has now sold 200 units. 5 are open, 25 are being built with openings scheduled by June 30th. It is now franchising "sand buggy" style cars at resorts and has put 365 cars out on this basis. I recently drove one myself in Hawaii. Its boat product will be put out initially in Hawaii soon at the same hotel where I stayed. It should go over very well there. The company's only problem is its accounting, which is plaguing the franchising industry. Accountants are simply making the company defer most of its net earnings. The company has sufficient cash reserves to cover all its contingencies. The market is treating the issue well despite the bear market. The issue is still double the market price when we bought it.

2133

COHEN'S EXHIBIT Z -- CORRESPONDENCE AND FRANCHISE AGREEMENT

November 17, 1969

Mock and Mock
1003 Mahoning Bank Bldg.
Youngstown, Ohio 44503

Re: Franchise Wagonmaster of Ohio Inc.
Youngstown, Ohio

Atten: R. John Mock

Dear Mr. Mock,

Enclosed here will please find three checks totaling \$30,000.00 which were issued by Thomas Lyden, payable to Richard Packing Co. that were returned by our bank.

You have since forwarded to us two checks totaling \$30,000.00, replacing the enclosed check.

Sincerely,

Allan D. Dudovitz
Vice President

ADD/ga
Encl.

RUSSELL G. MOCK
R. JOHN MOCK

*Amount
certified*

MOCK AND MOCK

ATTORNEYS AT LAW

1003 MAHONING BANK BUILDING
YOUNGSTOWN, OHIO 44503

2134

TELEPHONE
RIVERSIDE 3-4184 • 3-4185

July 31, 1969

Q

check for 10,000

mt

Richard Packing Company
790 South Cleveland Street

St. Paul, Minnesota 55116

Re: Franchise Wagonmasters of Ohio, Inc.
Youngstown, Ohio

Attention: Milton Cohen

Dear Mr. Cohen:

Enclosed herewith please find certified check in the amount of \$20,000.00, representing franchise fee and site location payment for Wagonmasters of Ohio, Inc., to be erected on Route 224, Youngstown, Mahoning County, Ohio. I will appreciate your returning to me Mr. Tom Lyden's check in the amount of \$20,000.00, dated July 28th, 1969.

I will appreciate your forwarding to me the executed contract.

Sincerely,

MOCK AND MOCK

R. John Mock
R. John Mock

RJM:vy

Enc.

*8/4
9/22*

Deposited

*20,000.00
10,000.00*

2135

RUSSELL G. MOCK
R. JOHN MOCK

MOCK AND MOCK
ATTORNEYS AT LAW
1003 MAHONING BANK BUILDING
YOUNGSTOWN, OHIO 44503
September 19, 1969

TELEPHONE
RIVERSIDE 3-4184 • 3-4185

*Deposited
9/20/69*

Richard Packing Company
790 South Cleveland Street
St. Paul, Minnesota

Attention: Mr. Milton Cohen

Re: Franchise Wagonmasters of Ohio, Inc.

Dear Mr. Cohen:

Enclosed herewith please find Check #101 in the amount of \$10,000.00
representing payment for additional options for site locations as per contract.

Sincerely yours,

MOCK & MOCK

By:

R. John Mock
R. John Mock

RJM:lg

Enclosure

RECEIVED JUN 22 1970

2136



June 18, 1970

Joseph Kally
Richard Franchise Investment Company
9841 Airport Boulevard
Los Angeles, California 90045

Dear Mr. Kally:

Enclosed herewith please find assignment of Wagonmasters of Ohio, Inc. of its contracts with Richard Packing, to The Wagonmaster Corporation. I would have done this before, but it slipped my mind until I received the leases for the equipment and building and found they were in the name of Wagonmasters of Ohio, Inc. What was done is as follows: when we decided to offer stock for sale, it was advisable to transfer all of the assets of Wagonmasters of Ohio, Inc. to The Wagonmaster Corporation in exchange for shares in The Wagonmaster Corporation: the value of our assets in the original corporation thereby being determined and approved by the 5 original shareholders in the second corporation.

Tom and I received 55% of the authorized shares of The Wagonmaster Corporation. This was necessary in order that the issue could not be raised later on as to the value given by us for our shares in the corporation. If it meets with your approval, I will appreciate your having Mr. Cohen accept same and return the original and one copy to me. I will make the necessary changes on the equipment lease and the real estate lease. Regarding the lease for the real property, I would appreciate your advising your total costs involved so that we may have some understanding of how the minimum monthly rental figure was arrived at. Also, the equipment lease includes many items which we did not receive and also items which were buyouts that we purchased. Again many of the items have not been delivered to us and others are not in good working order, as Don Hoth knows.

Joseph Kally
Richard Franchise Investment Company
June 18, 1970

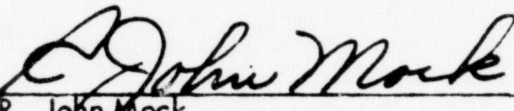
It might be difficult to resolve all of these matters by mail, so if you are going to be near this area in the near future, it might facilitate matters if you could drop by Youngstown. There is no problem on either the equipment lease or property lease; however, I would like to get these things resolved prior to the time we mail them to you.

As yet, I have not received the leases for Fetchet's property located on Belmont Avenue.

We will have the balance of the first payment in by the 30th of June and again I thank you for giving us an extension.

Sincerely,

THE WAGONMASTER CORPORATION

By: 
R. John Mock

RJM:vy

Enclosure

"CIRCUS WAGON" LICENSE AGREEMENT

2138

THIS AGREEMENT, entered into this 21ST day of JULY 19 64
by and between Richard Packing Company, a Minnesota corporation, having its principal office at 700 South
Cleveland, St. Paul, Minnesota, hereinafter referred to as "Licensor" and WAGONMASTERS
OF CHIO, INC., hereinafter referred to as "Licensee",

W I T N E S S E T H :

WHEREAS Licensor through its Circus Wagon division has founded and created a self-service drive in food establishment system known as "Circus Wagon" and is the sole and exclusive owner of all proprietary and other property rights and interests in and to the trade names and/or trade marks, service marks, symbols, color schemes and combinations, designs, logos, building designs, signs, advertising plans, operation control forms and accounting systems and similar items in connection with the same, and

WHEREAS Licensee is desirous of acquiring an exclusive license to adopt and use the "Circus Wagon" system and associated trade names and/or trade marks and service marks in the sale of foods, beverages and other allied items in "Circus Wagon" establishment to be operated at a specific location within the general area hereinafter described.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements hereinafter set forth, it is mutually agreed and covenanted as follows:

1. EXCLUSIVE LICENSE:

Licensor hereby gives and grants to Licensee, subject to the terms, conditions and limitations hereinafter set forth, an exclusive license to adopt and use the "Circus Wagon" system at a location with the general area of CHIO, HAWKING & THOMBLE, COUNTIES in the operation of a drive-in food service establishment using the trade names and/or trade marks and service marks in connection with the said system and operation. Licensee hereby accepts for himself, his heirs, executors, administrators and successors for the period and upon and subject to the terms, conditions, and limitations hereinafter set forth, said exclusive license to (a) adopt and use the "Circus Wagon" system in a drive-in food service establishment to be constructed at the location specified above, and, in connection therewith, to indicate to the public that Licensee is a licensee authorized to operate a "Circus Wagon" establishment and (b) adopt and use the said names and marks in connection with the said operation and any of the products sold and dispensed thereat and/or such other marks or systems as shall, from time to time, be prescribed by Licensor.

2. LOCATION:

Within ninety (90) days from the execution of this Agreement, Licensor shall select a suitable location for Licensee's "Circus Wagon" establishment within the general area hereinabove described based upon Licensor's study and evaluation of such factors as traffic pattern, neighborhood characteristics, parking facilities and present and potential competition in such area and submit to Licensee for his approval and execution a twenty (20) year lease for said location and a building and improvements to be constructed thereon in accordance with the sketch attached hereto and marked "Exhibit A". Upon approval and execution of said lease by Licensee, Licensor warrants that no other "Circus Wagon" establishment shall be opened for business during the term of this Agreement within a distance of one mile from the selected location for the "Circus Wagon" establishment hereunder. Should Licensee fail to approve and execute said lease within five (5) days from the date of submission thereof by Licensor, then this Agreement shall

22. NOTICES:

If at any time it shall become necessary for one of the parties hereto to serve any notice, demand or communication, it shall be in writing, send by registered or certified mail, postage fully prepaid, and

(a) If intended for Licensor shall be addressed to:

RICHARD PACKING COMPANY
790 South Cleveland
St. Paul, Minnesota 55116

(b) If intended for Licensee shall be addressed to:

THOMAS LYDEN
WAGONMASTERS OF OHIO INC
1003 MAHONING, YOUNGSTOWN, OHIO

23. BINDING EFFECT:

All the provisions herein contained shall bind and insure to the benefit of the parties hereto, their heirs, personal representatives, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this 21st
day of July, 1969.

WITNESSES:

LICENSEE:

WAGON MASTERS OF OHIO INC
by Thomas A. Lyden

LICENSOR:

RICHARD PACKING COMPANY

By Walter A. Cohen
President

Attest Ida May Cohen
Secretary

Ida May Cohen

ADDENDUM

This Addendum, when signed by the parties hereto, shall be attached to and made a part of the Circus Wagon Licensing Agreement dated July 14, 1969, by and between Richard Packing Company and Thomas Lyden (referred to as "said Agreement").

1. The license to adopt and use the "Circus Wagon" system provided for in Paragraph 1 shall apply to a total of five (5) establishments within the territory set forth in said Paragraph 1. All references throughout said Agreement shall be deemed to be in the plural.
2. The total license fee as required by Paragraph 12(a) of said Agreement shall be \$100,000.00, payable as follows: \$20,000.00, receipt of which is hereby acknowledged, representing the license fee for Licensee's first unit; \$10,000.00, receipt of which is hereby acknowledged, representing non-refundable down-payments of \$2,500.00 on each of Licensees' second through fifth units, which sum shall be in satisfaction of the site evaluation services of Licensor set forth in Paragraph 2 of said Agreement; \$35,000.00, payable no later than six (6) months from the opening for business of Licensee's first unit, representing the balance of franchise fee for Licensee's second and third units; and \$35,000.00, payable no later than one year from the opening for business of Licensee's first unit, representing the balance of franchise fee for Licensee's fourth and fifth units.
3. With reference to the second through fifth units to be opened hereunder, Paragraph 2 of said Agreement is hereby amended to provide that Licensor shall select suitable locations pursuant to the following schedule:
 - Second unit: within 90 days from receipt of final payment of the franchise fee for the second and third units.
 - Third unit: within 90 days from Licensee's execution of a lease for the second unit.
 - Fourth unit: within 90 days from receipt of final payment of franchise fee for the fourth and fifth units.
 - Fifth unit: within 90 days from Licensee's execution of lease for the fourth unit.
4. Paragraph 5d is hereby amended to provide that Licensee's monthly payments for regional and local advertising and promotion of the Circus Wagon system for each of Licensee's second through fifth units shall be two and one-half (2-1/2%) percent of monthly gross sales, of which payments sums representing two (2%) percent of said monthly gross sales shall be used by Licensor in such manner and/or median as decided by Licensor in his reasonable discretion.
5. Paragraph 5e is hereby amended to provide that Licensee's payments for national advertising and promotion shall be used by Licensor for regional advertising and promotion of Licensee until such time as a total of fifty (50) Circus Wagon Establishments are opened for business, at which time such payments shall revert to national advertising and promotion.

- Licensee:

Wm. H. Brown

Licensors:

Richard Packing Company

Hy:

Dated

Dated July 21 1967

2142

"CIRCUS WAGON" LICENSE AGREEMENT

THIS AGREEMENT, entered into this 21ST day of JULY 19 69
by and between Richard Packing Company, a Minnesota corporation, having its principal office at 700 South
Cleveland, St. Paul, Minnesota, hereinafter referred to as "Licensor" and WAGONMASTERS
OF OHIO, INC., hereinafter referred to as "Licensee",

W I T N E S S E T H :

WHEREAS, Licensor through its Circus Wagon division has founded and created a self-service drive-in food establishment chain system known as "Circus Wagon" and is the sole and exclusive owner of all proprietary and other property rights and interests in and to the trade names and/or trade-marks, service marks, symbols, color schemes and combinations, designs, logo, building designs, signs, advertising plans, operation control forms and accounting systems and similar items in connection with the same; and

WHEREAS, Licensee is desirous of acquiring an exclusive license to adopt and use the "Circus Wagon" system and associated trade names and/or trade-marks and service marks in the sale of foods, beverages and other allied items in "Circus Wagon" establishment to be operated at a specific location within the general area hereinafter described

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements hereinafter set forth, it is mutually agreed and covenanted as follows

1. EXCLUSIVE LICENSE:

Licensor hereby gives and grants to Licensee, subject to the terms, conditions and limitations hereinafter set forth, an exclusive license to adopt and use the "Circus Wagon" system at a location within the general area of OHIO, MAHONING & TROMBELL COUNTIES in the operation of a drive-in food service establishment using the trade names and/or trade-marks and service marks in connection with the said system and operation. Licensee hereby accepts for himself, his heirs, executors, administrators and successors for the period and upon and subject to the terms, conditions, and limitations hereinafter set forth, said exclusive license to (a) adopt and use the "Circus Wagon" system in a drive-in food service establishment to be constructed at the location specified above, and, in connection therewith, to indicate to the public that Licensee is a licensee authorized to operate a "Circus Wagon" establishment and (b) adopt and use the said names and marks in connection with the said operation and any of the products sold and dispensed thereat and/or such other marks or systems as shall, from time to time, be prescribed by Licensor.

2. LOCATION:

Within ninety (90) days from the execution of this Agreement, Licensor shall select a suitable location for Licensee's "Circus Wagon" establishment within the general area hereinabove described based upon Licensor's study and evaluation of such factors as traffic pattern, neighborhood characteristics, parking facilities and present and potential competition in such area and submit to Licensee for his approval and execution a twenty (20) year lease for said location and a building and improvements to be constructed thereon in accordance with the sketch attached hereto and marked "Exhibit A". Upon approval and execution of said lease by Licensee, Licensor warrants that no other "Circus Wagon" establishment shall be opened for business during the term of this Agreement within a distance of one mile from the selected location for the "Circus Wagon" establishment hereunder. Should Licensee fail to approve and execute said lease within five (5) days from the date of submission thereof by Licensor, then this Agreement shall

22. NOTICES:

If at any time it shall become necessary for one of the parties hereto to serve any notice, demand or communication, it shall be in writing, send by registered or certified mail, postage fully prepaid, and

(a) If intended for Licensor shall be addressed to:

RICHARD PACKING COMPANY
790 South Cleveland
St. Paul, Minnesota 55116

(b) If intended for Licensee shall be addressed to:

THOMAS LYDEN
WAGONMASTERS OF OHIO INC
1003 MAHONING, YOUNGSTOWN, OHIO

23. BINDING EFFECT:

All the provisions herein contained shall bind and insure to the benefit of the parties hereto, their heirs, personal representatives, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this 21st
day of July, 1969.

WITNESSES:

LICENSEE:

WAGONMASTERS of OHIO INC
by Thomas A. Lyden (Seal)

LICENSOR:

RICHARD PACKING COMPANY

By Mitchell
President

Attest Harvey Cohen
Secretary

Gloria Segal

ASSIGNMENT OF CIRCUS WAGON LICENSING AGREEMENT AND ADDENDUMS THERETO

In consideration of One Dollar (\$1.00) in hand paid, and other valuable consideration, the Wagonmasters of Ohio, Inc. does hereby sell, assign, transfer and set over to The Wagonmaster Corporation, licensed in the State of Ohio, its successors and assigns, all right, title and interest in a Licensing Agreement dated July 21, 1969, by and between Wagonmasters of Ohio, Inc., Licensee, and Richards Packing Company, as Licensor, Addendum thereto dated July 21, 1969, Addendum No. 2 dated March 6, 1970, executed at Youngstown, Ohio, the 6th day of April 1970.

WAGONMASTERS OF OHIO, INC., Assignor

By: Thomas F. Lyden, President
Thomas F. Lyden

By: R. John Mock, Secretary
R. John Mock

THE WAGONMASTER CORPORATION, Assignee

By: Thomas F. Lyden, President
Thomas F. Lyden

By: R. John Mock, Secretary
R. John Mock

This Assignment from the Wagonmasters of Ohio, Inc. to The Wagonmaster Corporation, is hereby accepted this 26th day of June, 1970.

RICHARD PACKING COMPANY

By: Merton Cohen, President

By: Harvey Cohen, Secretary

ADDENDUM NO. 2

This Addendum No. 2 is added to and is part of the Circus Wagon Licensing Agreement ("the Agreement") dated July 21, 1969, and Addendum thereto by and between Richard Packing Company (the "Licensor") and Wagonmasters of Ohio, Inc. ("the Licensee").

In consideration of the mutual agreements hereinafter set forth, the parties hereto hereby agree to amend said Agreement and Addendum thereto as follows:

1. Licensor hereby grants to Licensee the sole and exclusive right to enter into Circus Wagon Licensing Agreements in the State of Ohio for such period as Licensee shall be in full compliance with the terms and conditions of the aforesaid Licensing Agreement and Addendum thereto and this Addendum No. 2 as hereinafter provided.

2. Paragraphs 1, 2, 3 and 6 of the Addendum dated July 21, 1969, to said Agreement are hereby deleted and canceled.

3. Licensee agrees to enter into twenty (20) Circus Wagon Licensing Agreements with Licensor for twenty (20) Circus Wagon units in the State of Ohio in accordance with the following schedule and upon the following terms and conditions:

A. The total amount of the license fees payable to Licensor for the first ten (10) Licensing Agreements and units shall be \$180,000.00, payable as follows: \$20,000.00, receipt of which is hereby acknowledged, representing the license fee for Licensee's first unit; \$10,000.00, receipt of which is hereby acknowledged, representing non-refundable down-payments of \$2,500.00 on each of Licensee's second through fifth units, which sum shall be in satisfaction of the site evaluation services of Licensor set forth in Paragraph 2 of said Agreement, balance of \$150,000.00 to be paid by the execution and delivery by Licensee to Licensor of the following instruments upon the execution of this Addendum No. 2:

1) Its certified or cashiers check in the amount of \$10,000.00, payable to the order of Licensor;

2) Its promissory note bearing the personal guarantees of the principals of Licensee in the amount of \$80,000.00, to the order of Licensor in the form attached hereto and marked Exhibit A, said note to be due and payable May 1, 1970; and,

30,000

10,000

8,000

20,000
70,000

100,000
40,000
80,000
35,000
115,000

3) Its promissory note bearing the corporate signature of the Licensee in the amount of \$60,000.00, to the order of Licensor in the form attached hereto and marked "Exhibit B", said note to be due and payable upon completion and opening of Licensee's second unit hereunder.

Licensor shall select locations for Licensee's third through tenth units and submit same to Licensee for its approval within 180 days after the date of completion and opening of Licensee's second unit. The total amount of \$180,000.00 of license fees payable hereunder to Licensor by Licensee for its first ten units represents payments of nine license fees, each in the amount of \$20,000.00, for each of Licensee's first nine (9) units, it being understood and agreed that there shall be no license fee payable by Licensee to Licensor under Licensee's Licensing Agreement for its tenth unit, payment of said licensing fee in the amount of \$20,000.00 having been waived by Licensor.

B. The total amount of the license fees payable to Licensor for the second ten (10) Licensing Agreements and units shall be \$180,000.00, payable as follows:

Upon the execution of this Addendum No. 2, Licensee shall execute and deliver to Licensor:

1) Its promissory note in the amount of \$100,000.00 bearing the corporate signatures on the form attached hereto and marked "Exhibit C", said note to be due and payable upon the obtaining by the Licensor by purchase or lease of a location approved by Licensee for its eleventh unit hereunder, and upon completion and opening of Licensee's fifth unit hereunder; and,

2) A second promissory note in the amount of \$80,000.00, bearing the corporate signatures on the form attached hereto and marked "Exhibit D", said note to be due and payable upon the obtaining by the Licensor by purchase or lease of a location approved by Licensee for its sixteenth unit hereunder, and upon completion and opening of Licensee's tenth unit hereunder.

Licensor shall select locations for Licensee's eleventh through twentieth units, and submit same to Licensee for its approval as per the above schedules. The total amount of \$180,000.00 of license fees payable hereunder to Licensor by Licensee for its second ten units represents payments of nine license fees, each in the amount of \$20,000.00, for each of Licensee's eleventh through nineteenth units, respectively, it being understood and agreed that there shall be no license fee payable by Licensee to Licensor under Licensee's Licensing Agreement for its twentieth unit, payment of said licensing fee in the amount of \$20,000.00 having been waived by

Licensor.

C. Upon the completion and opening for business of its first twenty units hereunder, Licensee shall have the exclusive option to enter into five licensing agreements for five additional units in each succeeding twelve months period until an additional thirty units are completed and open for business in the State of Ohio. The license fees payable to Licensor for each of these additional units shall be \$15,000.00 per unit, payable in advance to Licensor prior to selection and submission to Licensee for its approval of the location for each unit.

4. In the event fifty (50) units are completed and opened for business in the State of Ohio, Licensee shall have the right to enter into Licensing Agreements with Licensor for additional for a license fee of \$10,000.00 per unit, payable in advance to Licensor prior to selection and submission to Licensee for its approval of the location for each unit.

5. The standard Circus Wagon Licensing Agreement executed by and between the parties hereto as of July 21, 1969, the terms and conditions of which are governing and applicable to each of the aforesaid Licensing Agreements to be entered into between the parties hereto subject to the amendments contained in the Addendum and Addendum No. 2 hereof, is hereby amended as follows:

- The second and third words of line 1, Paragraph 2 shall read "one hundred eighty (180) days" instead of "ninety (90) days".

The words "which will not be unreasonably withheld" shall be inserted after the word "approval" in line 4 of Paragraph 2.

- The following sentence shall be added to Paragraph 4:
"Licensee shall be allowed to train successor managers in its own units at its own cost and shall not be required in the event it elects to provide such training in its own units to comply with the provisions of Paragraph 5A as to attendance by any successor manager at the training course provided by Licensor."
- The following language shall be substituted in the place and stead of all of the language of Paragraph 10 which appears on the top of Page 7 of said Agreement: "For the benefit of both parties, Licensee shall procure the insurance coverage required herein. Licensee shall provide, furnish and maintain all such required insurance. Licensee may at his own cost and expense apply for and obtain other or additional insurance coverage (which

shall not impair or affect other coverage), but shall in all events be obligated to pay all premiums on insurance required and provided pursuant to this section. Any and all policies of insurance (or certificates therefore) shall be delivered to and retained by Licensor. All policies of insurance required to be maintained by Licensee hereunder shall be renewed (and policies or certificates together with evidence of payment of premiums delivered to Licensor) at least thirty (30) days prior to the respective expiration dates of existing policies of insurance. All losses not covered by insurance are the obligations of the Licensee. All policies of insurance may, at the option of Licensor, include as additional insured, any Lessor or owner of the premises upon which the Licensee's operations are to be conducted."

- The third sentence of Paragraph 15 of said Agreement is hereby deleted and canceled. The third sentence of Paragraph 15, Page 8 of said Agreement shall read, "The Licensee will be a corporation and as such shall have the right to sell its stock publicly, or use its stock in any way within the law. It shall not be required that Tom Lyden, his heirs, executors, and assigns own 51% of the corporation. Ownership of less than 51% shall not constitute breach of this Agreement. Licensee shall not have the right to sub-franchise or sublicense under these Agreements."

6. Licensee's obligation to enter into the aforesaid twenty (20) Licensing Agreements with Licensor for twenty (20) Circus Wagon units is subject to the provisions of Paragraph 2 of said standard Circus Wagon Licensing Agreement as amended hereunder requiring Licensor to select suitable locations for Licensee's units and submit leases for same to Licensee for his approval and execution. In the event that Licensor is unable to select and provide such suitable sites for Licensee under the terms and conditions hereunder, in the course of providing for the first twenty (20) Circus Wagon units to be constructed and opened hereunder, then at such time the obligation of Licensee to enter into Licensing Agreements for additional units other than those for which sites have already been approved, shall cease and Licensee shall have no further obligation to enter into Licensing Agreements for any such additional units and in such event Licensor will refund the Licensee any funds paid for license fees for any such additional units.

7. Except as amended herein, the Circus Wagon Licensing Agreement of July 21, 1969, and the Addendum thereto are hereby ratified and affirmed in all respects.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum
 this 6th day of March, 1970.

WITNESSES:

Louis R. Moyers
Virginia Pannarella

Gloria Segal

LICENSEE:

WAGONMASTERS OF OHIO, INC.

By: Thomas A. Lyden
 Thomas Lyden, President

Attest: R. John Mock
 R. John Mock, Secretary

LICENSOR:

RICHARD PACKING COMPANY

By: Milton Cohen
 Milton Cohen, President

Attest: Harvey Cohen
 Secretary

PROMISSORY NOTE

\$80,000.00

DUE May 1, 1970

The undersigned promises to pay EIGHTY THOUSAND (\$80,000.00) DOLLARS to the order of RICHARD PACKING COMPANY, whose address is 790 South Cleveland, St. Paul, Minnesota - 55116, on MAY 1, 1970, as per the Licensing Agreement and Addendums thereto, by and between the undersigned and RICHARD PACKING COMPANY.

WAGONMASTERS OF OHIO, INC.

By: Thomas G. Expler

Attest:

John MockPERSONAL GUARANTEES

The undersigned jointly and severally hereby guarantee the payment of this promissory note by WAGONMASTERS of OHIO, INC.

Thomas G. Expler
John Mock

PROMISSORY NOTE

\$60,000.00

March 6, 1970

The undersigned promises to pay SIXTY THOUSAND (\$60,000.00) DOLLARS to the order of RICHARD PACKING COMPANY, whose address is 790 South Cleveland, St. Paul, Minnesota - 55116, upon the date of completion and opening of business of the second Circus Wagon unit under the Licensing Agreement of July 21, 1969, and addendums thereto, by and between the undersigned and RICHARD PACKING COMPANY

WAGONMASTERS OF OHIO, INC.

By Thomas A. Syden

Attest:

John Mock
Secretary

PROMISSORY NOTE

\$100,000.00

March 6, 1970

The undersigned promises to pay ONE HUNDRED THOUSAND (\$100,000.00) DOLLARS to the order of RICHARD PACKING COMPANY, whose address is 790 South Cleveland, St. Paul, Minnesota - 55116, upon the date RICHARD PACKING COMPANY obtains by purchase or lease, a location approved by the undersigned for its eleventh Circus Wagon unit, and upon completion and opening of Licensee's fifth unit hereunder the Licensing Agreement dated July 21, 1969, and Addendums thereto, by and between the undersigned and RICHARD PACKING COMPANY

WAGONMASTERS OF OHIO, INC.

By: Thomas A. Snyder

Attest:

John Mork
Secretary

EXHIBIT C

PROMISSORY NOTE

\$80,000.00

March 6, 1970

The undersigned promises to pay EIGHTY THOUSAND (\$80,000.00) DOLLARS to the order of RICHARD PACKING COMPANY, whose address is 790 South Cleveland, St. Paul, Minnesota - 55116, upon the date RICHARD PACKING COMPANY obtains by purchase or lease, a location approved by the undersigned for its sixteenth Circus Wagon unit, and upon completion and opening of Licensee's tenth unit hereunder the Licensing Agreement dated July 21, 1969, and Addendums thereto, by and between the undersigned and RICHARD PACKING COMPANY.

WAGONMASTERS OF OHIO, INC.

By: Thomas G. Gypka

Attest:

John Mock
Secretary

4/1/70

CIRCUS WAGON FRANCHISEES

<u>FRANCHISEE</u>	<u>ADDRESS</u>	<u>AREA</u>	<u>LICENSING AGREEMENT DATED</u>	<u>P/C PKT. SENT</u>
MARVETING SYNDICATE, INC. Michael Saywitz, President (219) 838-3963	P. O. Box 37 Glenwood, IL 60425	Dade, Monroe, Collier, Broward Co., FLORIDA (15)	6/23/69	X
WAGONMASTERS OF OHIO, INC. Thomas F. Lyden, President (216) 538-2215	6816 Tangelwood Drive Youngstown, OH 45512	Youngstown, OHIO (20) (Ohio, Mahoning, and Trumbull Counties)	7/21/69	
S.P.J. CORPORATION William Zucker, Vice Pres. (313) 547-2085	23061 Parklawn Oak Park, MI 48237	Warren, MICHIGAN (5)	7/23/69	
INDEVCOS, INC. E. Ernest Johnson, Treasurer (617) 887-5087	416 Boston Post Rd. Sudbury, MA 01776	Boston, MA (8) (Essex and Worcester Counties)	8/2/69	X
SRAB FOODS, LTD. Stephen M. Glynn, Trustee (516) 771-1296	395 Hungry Harbor Rd. L. Woodmere, L.I., NY 11598	Merrick, L.I., NY (1)	9/23/69	
MR. & MRS. MERVAN WEINGARTEN (914) 965-0580	95 Sedgwick Avenue Yonkers, NY 10701	Pearl River, NY (1)	10/29/69	
JACK CRISTINA (504) 924-4149	11271 Florida, #120 Baton Rouge, LA 70821	Baton Rouge, LA (2)	11/ 5/69	
METROPOLITAN CIRCUS WAGON, INC. John C. Nadek, Jr., Secretary (612) 771-4792	1520 Ames Avenue St. Paul, MN 55106	St. Paul, MN (3)	2/16/70	
LEXINGTON UNITED INVESTMENT, INC. Stuart L. Euster, Secretary (606) 254-0339	1501 No. Limestone Lexington, KY 40507	Lexington, KY (1)	2/23/70	
K.P. ENTERPRISES, INC. Edmund F. Perls, President (305) 448-3002	P. O. Box 3565 Miami, FL 33101	Palm Beach County, (2) FLORIDA	2/25/70	
FUN FOODS, INC. James J. Durkin, President (717) 868-3102	Laurel Lake Village, Rt. #4 Mountaintop, PA 18707	Pennsylvania (40)	3/ 4/70	

DEFENDANT COHEN'S EXHIBIT AA - LIST

2154



FISHMAN BUILDING, 9841 AIRPORT BLVD. • SUITE 800 • LOS ANGELES, CALIFORNIA 90045

May 18, 1970

TO: Mr. Jack Cristina
Mr. James Durkin
Mr. Stephen M. Glynn
Mr. E. Ernest Johnson
Mr. Richard Johnson
Mr. Thomas F. Lyden
Mr. Michael Saywitz
Mr. William Zucker

Re: Franchise Meeting in Chicago, Illinois, May 9, 1970

At 10:00 a.m. May 9, 1970, Mr. Dorian Barnard, advertising public relations man, made a presentation for the Circus Wagon franchisees and franchisor. Mr. Barnard gave a complete program to build the image of Circus Wagon through direct mail, newspapers, and public relations.

At approximately 11:00 a.m., Messrs. Kellogg and Evans, of "Circus Wagon Associates," made a complete presentation, including slides, for a program which would be all-encompassing at a minimum fee of \$100 per month. It was recommended by several franchisees that we pursue their services and I have requested a letter from CWA outlining what their proposal would and would not contain.

At approximately 12:30, the meeting was called to order by Michael Saywitz, Chairman for the "Association of Circus Wagon Franchisees," who outlined the first meeting held on April 24, 1970, in Pittsburgh, Pennsylvania. The meeting was called basically because of the concern on the part of the franchisees with the demise of Status Marketing and Status Realty and their genuine concern for the growth of Circus Wagon.

Joseph J. Kally, President of Richard Franchise Investment, Inc., gave a report on the status of Richard Franchise's ability to continue with the current building program. All the franchisees were made aware of the high cost of land and the rising costs of construction. A copy of the financial statements of RFI and Richard

RICHARD

FRANCHISE INVESTMENT INC.

Association of CW Franchisees

Page Two

May 18, 1970

Richard Packing Company has been furnished to each of the franchisees as they had requested. The program presently is obtaining improved leases, purchases, and subordinated ground leases. In each instance, the following will be the procedure:

1. After a site has been selected by the local real estate broker and/or RFI real estate man, the site would be submitted to the franchisee for his contingent approval in accordance with the terms of the license agreement.
2. Upon the contingent approval of the site by the franchisee, Bill Hoppenrath and Joe Kally would be on the site within ten days to:
 - A. Make a construction appraisal of the location and costs and management approval.
 - B. At that time, information would be given to the franchisee concerning the best estimate of the rent, based on the cost of land and building, for his final approval. At the same time, we would also forward a Pro-Forma, based upon factors known.
3. Assuming that the real estate, construction, franchisee approval and RFI management approval have been obtained, the real estate contract will be executed.

A brief explanation was given as to the length of time necessary to obtain seals, drawing approval, surveys, pull permits, and finally go under construction. Each of the franchisees requested information as to the actual construction costs, not that they distrusted figures as computed but they were interested in the actual costs. This information will definitely be submitted to the franchisees as soon as it is compiled.

We then discussed the submission of a plot plan to the franchisees, not only for their information but also perhaps for additional guidance in the positioning of any of the exterior items, such as planting, drives, signage, patios, and landscaping. The actual positioning of the building will, undoubtedly, be governed by the local authorities and codes.

RICHARD

FRANCHISE INVESTMENT INC.

Association of CW Franchisees
Page Three
May 18, 1970

A discussion was held regarding the pre-opening costs. Mike Saywitz indicated that his costs had exceeded the figures originally estimated. RFI will submit to each of the franchisees a complete breakdown of the total equipment package, as well as the cash requirement breakdown, including such items as food and paper goods inventory uniforms, grand opening, telephone, salary start-up, check writing, cash on hand, out-of-town training, and miscellaneous.

A brief discussion followed regarding equipment costs and the fact that Circus Wagon is interested in obtaining outside bids. We have been working with the Gardner Restaurant Equipment & Supply Company, out of Dayton, Ohio. The initial figures submitted by Gardner indicate that their price, based on actual item against actual item, for just the kitchen equipment was approximately \$100 higher than the figure we have from our present equipment manufacturers. A copy of the equipment proposal by Gardner was forwarded to Mr. Tom Lyden for his examination.

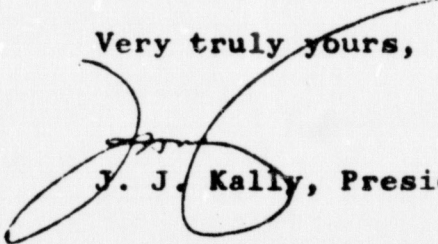
We further discussed an insurance program. A copy of an insurance program in existence with one of the major franchisors was given to Mr. Ernest Johnson, of Indevors, for his examination and possible assistance in obtaining a similar type of insurance program for the Circus Wagon franchisees.

Each of the franchisees was told that rents were computed on the actual costs of building and land and in all cases each location is handled on an individual basis.

The franchisees have requested assistance if they should have a low-volume unit. Mr. Kally advised each of them that RFI would examine each particular instance rather than make a blanket statement of what would happen, without knowing all the facts.

A question and answer period was held for the group as a whole and the meeting was concluded with a definite feeling of an improved attitude between the franchisees and the franchisor. All franchisees were then given opportunity to meet with representatives of Circus Wagon to discuss their individual problems in private. A summation of those meetings will be forwarded directly to the franchisees involved. About 6:30 p.m., the meeting adjourned.

Very truly yours,


J. J. Kally, President

bc

cc: Mr. Milton Cohen
Mr. Donald Hoth
Mr. Dean Faris
Mr. W. Hoppenthal



TISHMAN BUILDING 284 AIRPORT BLVD • SUITE 810 • LOS ANGELES, CALIFORNIA 90045

CIRCUS WAGON

Units Under Construction as of May 15, 1970

<u>Location</u>	<u>Date Ground Broken</u>	<u>Completion %</u>		<u>Remarks</u>
		<u>Site</u>	<u>Bldg.</u>	
(F) MIAMI, FLORIDA 9280 S.W. 40th Street (Bird Road)	11/24/69	15%	35%	Construction recommenced 4/14/70. (Construction stopped 12/19/69.)
(F) YOUNGSTOWN, OHIO 18 Boardman-Poland Rd.	2/24/70	45%	85%	Estimated Opening 5/24/70
(F) MILFORD, MASSACHUSETTS Medway Street (Milford Plaza Shopping Center)	3/10/70	20%	40%	Estimated Opening 6/10/70
(C) DOWNEY, CALIFORNIA 8821 Imperial Highway	4/ 5/70	20%	65%	Estimated Opening 6/1/70

Number of Units Open . . 4

		<u>Date Opened</u>
(C) ANAHEIM, CALIFORNIA	2132 S. Harbor Boulevard	11/15/69
(F) TORONTO, ONTARIO (CANADA)	2570 Eglinton Avenue, E.	1/17/70
(C) NORTHRIDGE, CALIFORNIA	9029 Reseda Boulevard	2/14/70
(F) NORTH MIAMI, FLORIDA	13505 N. W. 7th Street	3/17/70

(C) Company Store

(F) Franchise Store

Units Scheduled to Break Ground: Merrick, L.I., NEW YORK
Warren, MICHIGAN
Pomona, CALIFORNIA
Ontario, CALIFORNIA
West Palm Beach, FLORIDA

cc: M. Cohen, RPC
A. Dudovitz, RPC
D. Hoth, RFI
W. Hoppenrath, RFI
D. Faris, RFI
H. Mondrow, CM/Canada

All Franchisees
A. Zucker, DEC
L. Zukor, SPI
G. Lee, Frigitemp
T. Dunovan, Ad Art
G. Mancuso, K/M
B. Deutsch, Jaiffee ✓

2159

DEFENDANT COHEN'S EXHIBIT SS-LETTER DATED 5/30/74

VIA AIR MAIL
SPECIAL DELIVERY

May 30, 1974

United States Marshal
932 Federal Building
Detroit, Michigan 48226

Att: U.S. Marshal Paramore

Gentlemen:

Pursuant to my telephone conversation with you of today's date, I herewith enclose two subpoenas, both for service on JACK SURNOW, c/o Grand Mark Associates, 23155 North Western Highway, Southfield, Michigan. Mr. Surnow's telephone number is 313-353-8760.

Mr. Surnow is to be served in his individual capacity on both subpoenas (witness subpoena and subpoena to produce). It is imperative that service be effected immediately, since the subpoenas are returnable on June 4, 1974 at 9 a.m.

I also am enclosing a check made out to Mr. Jack Surnow in the amount of \$175.00 - which represents round trip mileage fee of 12¢ a mile plus an amount in excess of the witness' per diem.

I would appreciate it if you call my office collect to report on the service of these subpoenas. My number is 212-925-1414.

Very truly yours,

SEO:if

S. Edward Orenstein

313-226-7754
Mick Dick Holloran

C
O
P
Y

DEFENDANT DUBOFF'S EXHIBIT B-HANDWRITTEN STATEMENT

9/13	200	MIS	26	KAB T/A	
9/13			25	JAFFEE	
9/13	100	H KOOK	25	KAB T/A	
9/13			30	JAFFEE	10
9/16	200	J STEWART	31	KAB T/A	10
9/16	200	ENG BOND	31	KAB T/A	1
9/23			29	WOOD WALKER	
9/23			28	WOOD WALKER	
9/23			29	WOOD WALKER	
9/24			32	DA PINKUS	
9/24	300	DISHY ENERGY	30	KAB T/A	
9/26			31	WOOD WALKER	
9/26	200	H KOOK	30	KAB T/A	
10/1			31	CHARTER SEC	
10/4			33	A.G. BECKER	
10/4			33	DRYFOOS ELLIS	
10/4			32	CHARTER SEC	
10/4	5000	JAFFEE	28	KAB T/A	
10/7			34	H KOOK	
10/7			32 1/2	CHARTER SEC	
10/7			31 3/4	MAYER & SCH	
10/7			35	DRYFOOS ELLIS	
10/7			35	A.G. BECKER	
10/7	5000	JAFFEE	28	KAB T/A	

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DATE	BUY	SELL	PRICE	ACC
10/7		500	33	ENGLER BUDD
7		200	34	H KOOK & Co
7		200	33	H KOOK & Co
10/8		50	35	CHARTER SEC
10/14		100	35	VILAS HKEY
10/15	150		34	KAB T/A
10/25		20	35	WOODWALKER
10/28	35		35	KAB T/A
11/14	100		30	KAB T/A
12/2		100	31	CHARTER SEC
12/14	200		28	KAB T/A
12/23	900		27	KAB T/A
12/24	100		28	KAB T/A
1/2		200	28	LOAB CHORDES
1/6	100		25 1/2	KAB T/A
1/8	200		24	KAB T/A
1/8		200	24	ALEXANDRINI & Co
1/8	300		25	KAB T/A
1/10	200		25	KAB T/A
1/10		100	25	GEMMA SEC
1/10		100	25	ALEXANDRINI

1/13		50	23	WOOD WALKER	2/8	5
1/13	300		22 1/4	KAB T/A	3/18	5
1/14	500		23	KAB T/A	3/18	
1/14	500		21	KAB T/A	4/18	
1/14	100		21	KAB T/A	4/18	
1/14		200	23	WOOD WALKER	4/18	1
1/14		100	23	WOOD WALKER	4/18	
1/14	300	300	22	KAB T/A	4/18	
1/15		400	24	JAFFEE	4/18	
1/15		300	25	JAFFEE	4/18	
1/15	300	300	25	JAFFEE	4/18	
1/15	200	300	25	JAFFEE	4/18	
1/16		100	24	WOOD WALKER	4/18	
1/20		300	26	JAFFEE	5/18	2
1/21		200	26	JAFFEE		
1/22		200	26	H KOOK		
1/22		100	26	JAFFEE		
1/23		450	27	JAFFEE		
1/28	100		29	KAB T/A		
1/28	100		29 1/2	KAB T/A		
1/28	200		29	KAB T/A		
1/28		950	29 1/2	GEDMA SEC		
1/28		900	30	GEDMA SEC		
1/28	100		29	KAB T/A		
1/30	250		35	KAB T/A		
1/31	100		34	KAB T/A		
2/4	100		35	KAB T/A		
2/11	50		34	KAB T/A		
2/11	75		33	KAB T/A		
2/13		300	36	BLAIR JC		
2/18	50		33	KAB T/A		
2/20	100		33	KAB T/A		
2/24	50		31	KAB T/A		
2/25	300		30	KAB T/A		
2/12	300		32	KAB T/A		
3/12		400	31	HES SEC		
3/14	1000		28	KAB T/A		
3/14						

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BUY		SELL		PRICE	ACCT
2/18	RICHARD PHG			28	KAB T/A
2/18	RICHARD PHG			28	KAB T/A
3/18		500		31	A J BUTLER
3/18		5000	RICHARD PHG	28 1/2	RICHARD PHG
4/1		200		32	JAFFEE & CO
3/100	D A PINKUS			34	KAB T/A
1/3		1500	RICHARD PHG	28 1/4	MORGENTHAU
1/3		1500	RICHARD PHG	28 1/4	HARRIS
4/7		100		32	FILOR BULLARD
4/7		1500	MORGENTHAU	32 7/8	V F NADEAU
4/7		1500	HARRIS	32 7/8	V F NADEAU
4/12	D A PINKUS			41 1/2	KAB T/A

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RICHARD FACHING

DATE	BUY	SELL	PRICE	ACCOUNT
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JUNE 1969		- NO	TRADES	RICHARD
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9	12 DARS SEC		42	KAB T/A
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AUGUST 1969		NO	TRADES	
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11/17	200	41	V.F. NAODEO	
12 V.F. NAODEO		42	KAB T/A	

DEFENDANT DUBOFF'S EXHIBIT K - STATEMENT

FUND <u>Page #2</u>		S&P		I R U		
Trade <u>Investment</u>		DOW		Volume		
Date <u>March 8</u>						
Exchange Member	Time Date Symbol	Code	Fund No.	Total Acct Security	Exch'd Tues	Activity
WAC	3/12	E	A	11000		12:00 674 C 77N
WAC	3/12/78	B	B	1113	1113	241 C 77N 286 C 77N
WAC	3/12	E	A	1100		12:00 -1400 C 26 1/2 200 C 36 1/2
WAC	3/12/78	S	S	2500	2500	5700 C 36 1/2 5700 C 36 1/2
WAC	3/12	E	A	1100		12:50 -100 C 35 1/2 700 C 25 1/2
WAC	3/12/78	B	B	850	850	-1200 C 25 1/2 100 C 25 1/2 1400 C 36 1/2
"	3/12	E	A	1100		8:50 -5000 C 43 1/2
"	3/12/78	B	B	5000	5000	-2000 C 27 1/2 5000 C 28 1/2 5000 C 28 1/2
WAC	3/12	E	A	1100		12:12 500 C 27 1/2 5000 C 28 1/2 5000 C 28 1/2
WAC	3/12/78	B	B	1000	1000	9:05 -600 C 59 1/2 9400 C 59 1/2
WAC	3/12	E	A	1100		8:15 -20,000 C 53 1/2
WAC	3/12/78	B	B	1000	1000	
WAC	3/31	E	A	1100		8:51 100 C 21N
WAC	3/31/78	B	B	1000	1000	
WAC	3/31	E	A	1100		8:40 -5000 C 38 1/2
WAC	3/31/78	B	B	5000	5000	12:47 300 C 15 1/2
WAC	3/31	E	A	1100		
WAC	3/31/78	B	B	5000	5000	
WAC	3/31	E	A	1100		
WAC	3/31/78	B	B	20000	20000	
WAC	3/31	E	A	1100		100 -600 C 67 -200 C 67
WAC	3/31/78	B	B	2000	2000	12:45 5000 C 21 1/2 N
WAC	3/31	E	A	1100		1:00 1000 C 21 1/2 N
WAC	3/31/78	B	B	5000	5000	
WAC	3/31	E	A	1100		1:00 -5000 C 28 1/2 400 C 30
WAC	3/31/78	B	B	10000	10000	

3/8

FUND: <u>FVE - FVE</u>						S&P	I R U	
Fraser: <u>Handwritten</u>						DOW		
Date: <u>11/10</u>						Volume		
Symbol	Time Date	Code	Fund	Total Acct	Unit	Activity		
2001	11/10	E	C	500	500	500 0 2 1/4	JUP	
2002	11/10	E	C	500	500	500 0 2 1/4		
2003	11/10	E	C	500	500	500 0 2 1/4		
2004	11/10	E	C	500	500	500 0 2 1/4		
2005	11/10	E	C	500	500	500 0 2 1/4		
2006	11/10	E	C	500	500	500 0 2 1/4		
2007	11/10	E	C	500	500	500 0 2 1/4		
2008	11/10	E	C	500	500	500 0 2 1/4		
2009	11/10	E	C	500	500	500 0 2 1/4		
2010	11/10	E	C	500	500	500 0 2 1/4		
2011	11/10	E	C	500	500	500 0 2 1/4		
2012	11/10	E	C	500	500	500 0 2 1/4		
2013	11/10	E	C	500	500	500 0 2 1/4		
2014	11/10	E	C	500	500	500 0 2 1/4		
2015	11/10	E	C	500	500	500 0 2 1/4		
2016	11/10	E	C	500	500	500 0 2 1/4		
2017	11/10	E	C	500	500	500 0 2 1/4		
2018	11/10	E	C	500	500	500 0 2 1/4		
2019	11/10	E	C	500	500	500 0 2 1/4		
2020	11/10	E	C	500	500	500 0 2 1/4		
2021	11/10	E	C	500	500	500 0 2 1/4		
2022	11/10	E	C	500	500	500 0 2 1/4		
2023	11/10	E	C	500	500	500 0 2 1/4		
2024	11/10	E	C	500	500	500 0 2 1/4		
2025	11/10	E	C	500	500	500 0 2 1/4		
2026	11/10	E	C	500	500	500 0 2 1/4		
2027	11/10	E	C	500	500	500 0 2 1/4		
2028	11/10	E	C	500	500	500 0 2 1/4		
2029	11/10	E	C	500	500	500 0 2 1/4		
2030	11/10	E	C	500	500	500 0 2 1/4		
2031	11/10	E	C	500	500	500 0 2 1/4		
2032	11/10	E	C	500	500	500 0 2 1/4		
2033	11/10	E	C	500	500	500 0 2 1/4		
2034	11/10	E	C	500	500	500 0 2 1/4		
2035	11/10	E	C	500	500	500 0 2 1/4		
2036	11/10	E	C	500	500	500 0 2 1/4		
2037	11/10	E	C	500	500	500 0 2 1/4		
2038	11/10	E	C	500	500	500 0 2 1/4		
2039	11/10	E	C	500	500	500 0 2 1/4		
2040	11/10	E	C	500	500	500 0 2 1/4		
2041	11/10	E	C	500	500	500 0 2 1/4		
2042	11/10	E	C	500	500	500 0 2 1/4		
2043	11/10	E	C	500	500	500 0 2 1/4		
2044	11/10	E	C	500	500	500 0 2 1/4		
2045	11/10	E	C	500	500	500 0 2 1/4		
2046	11/10	E	C	500	500	500 0 2 1/4		
2047	11/10	E	C	500	500	500 0 2 1/4		
2048	11/10	E	C	500	500	500 0 2 1/4		
2049	11/10	E	C	500	500	500 0 2 1/4		
2050	11/10	E	C	500	500	500 0 2 1/4		
2051	11/10	E	C	500	500	500 0 2 1/4		
2052	11/10	E	C	500	500	500 0 2 1/4		
2053	11/10	E	C	500	500	500 0 2 1/4		
2054	11/10	E	C	500	500	500 0 2 1/4		
2055	11/10	E	C	500	500	500 0 2 1/4		
2056	11/10	E	C	500	500	500 0 2 1/4		
2057	11/10	E	C	500	500	500 0 2 1/4		
2058	11/10	E	C	500	500	500 0 2 1/4		
2059	11/10	E	C	500	500	500 0 2 1/4		
2060	11/10	E	C	500	500	500 0 2 1/4		
2061	11/10	E	C	500	500	500 0 2 1/4		
2062	11/10	E	C	500	500	500 0 2 1/4		
2063	11/10	E	C	500	500	500 0 2 1/4		
2064	11/10	E	C	500	500	500 0 2 1/4		
2065	11/10	E	C	500	500	500 0 2 1/4		
2066	11/10	E	C	500	500	500 0 2 1/4		
2067	11/10	E	C	500	500	500 0 2 1/4		
2068	11/10	E	C	500	500	500 0 2 1/4		
2069	11/10	E	C	500	500	500 0 2 1/4		
2070	11/10	E	C	500	500	500 0 2 1/4		
2071	11/10	E	C	500	500	500 0 2 1/4		
2072	11/10	E	C	500	500	500 0 2 1/4		
2073	11/10	E	C	500	500	500 0 2 1/4		
2074	11/10	E	C	500	500	500 0 2 1/4		
2075	11/10	E	C	500	500	500 0 2 1/4		
2076	11/10	E	C	500	500	500 0 2 1/4		
2077	11/10	E	C	500	500	500 0 2 1/4		
2078	11/10	E	C	500	500	500 0 2 1/4		
2079	11/10	E	C	500	500	500 0 2 1/4		
2080	11/10	E	C	500	500	500 0 2 1/4		
2081	11/10	E	C	500	500	500 0 2 1/4		
2082	11/10	E	C	500	500	500 0 2 1/4		
2083	11/10	E	C	500	500	500 0 2 1/4		
2084	11/10	E	C	500	500	500 0 2 1/4		
2085	11/10	E	C	500	500	500 0 2 1/4		
2086	11/10	E	C	500	500	500 0 2 1/4		
2087	11/10	E	C	500	500	500 0 2 1/4		
2088	11/10	E	C	500	500	500 0 2 1/4		
2089	11/10	E	C	500	500	500 0 2 1/4		
2090	11/10	E	C	500	500	500 0 2 1/4		
2091	11/10	E	C	500	500	500 0 2 1/4		
2092	11/10	E	C	500	500	500 0 2 1/4		
2093	11/10	E	C	500	500	500 0 2 1/4		
2094	11/10	E	C	500	500	500 0 2 1/4		
2095	11/10	E	C	500	500	500 0 2 1/4		
2096	11/10	E	C	500	500	500 0 2 1/4		
2097	11/10	E	C	500	500	500 0 2 1/4		
2098	11/10	E	C	500	500	500 0 2 1/4		
2099	11/10	E	C	500	500	500 0 2 1/4		
2100	11/10	E	C	500	500	500 0 2 1/4		

FUND FD - FVE

SAP

TEAM Memphis

DOW

Date 11/14

Volume

Bank Name	Line Item No.	Code	Unit No.	Total Amount	Ext'd Total	Activity
Bank	1.1	P	1	1,000.00		
Bank	1.2	P	1	200		
Bank	1.3	P	1	1,200		
Bank	1.4	P	1	1,500		
Bank	1.5	P	1	1,500		
Bank	1.6	P	1	1,500		
Bank	1.7	P	1	1,500		
Bank	1.8	P	1	1,500		
Bank	1.9	P	1	1,500		
Bank	2.0	P	1	1,500		
Bank	2.1	P	1	1,500		
Bank	2.2	P	1	1,500		
Bank	2.3	P	1	1,500		
Bank	2.4	P	1	1,500		
Bank	2.5	P	1	1,500		
Bank	2.6	P	1	1,500		
Bank	2.7	P	1	1,500		
Bank	2.8	P	1	1,500		
Bank	2.9	P	1	1,500		
Bank	3.0	P	1	1,500		
Bank	3.1	P	1	1,500		
Bank	3.2	P	1	1,500		
Bank	3.3	P	1	1,500		
Bank	3.4	P	1	1,500		
Bank	3.5	P	1	1,500		
Bank	3.6	P	1	1,500		
Bank	3.7	P	1	1,500		
Bank	3.8	P	1	1,500		
Bank	3.9	P	1	1,500		
Bank	4.0	P	1	1,500		
Bank	4.1	P	1	1,500		
Bank	4.2	P	1	1,500		
Bank	4.3	P	1	1,500		
Bank	4.4	P	1	1,500		
Bank	4.5	P	1	1,500		
Bank	4.6	P	1	1,500		
Bank	4.7	P	1	1,500		
Bank	4.8	P	1	1,500		
Bank	4.9	P	1	1,500		
Bank	5.0	P	1	1,500		
Bank	5.1	P	1	1,500		
Bank	5.2	P	1	1,500		
Bank	5.3	P	1	1,500		
Bank	5.4	P	1	1,500		
Bank	5.5	P	1	1,500		
Bank	5.6	P	1	1,500		
Bank	5.7	P	1	1,500		
Bank	5.8	P	1	1,500		
Bank	5.9	P	1	1,500		
Bank	6.0	P	1	1,500		
Bank	6.1	P	1	1,500		
Bank	6.2	P	1	1,500		
Bank	6.3	P	1	1,500		
Bank	6.4	P	1	1,500		
Bank	6.5	P	1	1,500		
Bank	6.6	P	1	1,500		
Bank	6.7	P	1	1,500		
Bank	6.8	P	1	1,500		
Bank	6.9	P	1	1,500		
Bank	7.0	P	1	1,500		
Bank	7.1	P	1	1,500		
Bank	7.2	P	1	1,500		
Bank	7.3	P	1	1,500		
Bank	7.4	P	1	1,500		
Bank	7.5	P	1	1,500		
Bank	7.6	P	1	1,500		
Bank	7.7	P	1	1,500		
Bank	7.8	P	1	1,500		
Bank	7.9	P	1	1,500		
Bank	8.0	P	1	1,500		
Bank	8.1	P	1	1,500		
Bank	8.2	P	1	1,500		
Bank	8.3	P	1	1,500		
Bank	8.4	P	1	1,500		
Bank	8.5	P	1	1,500		
Bank	8.6	P	1	1,500		
Bank	8.7	P	1	1,500		
Bank	8.8	P	1	1,500		
Bank	8.9	P	1	1,500		
Bank	9.0	P	1	1,500		
Bank	9.1	P	1	1,500		
Bank	9.2	P	1	1,500		
Bank	9.3	P	1	1,500		
Bank	9.4	P	1	1,500		
Bank	9.5	P	1	1,500		
Bank	9.6	P	1	1,500		
Bank	9.7	P	1	1,500		
Bank	9.8	P	1	1,500		
Bank	9.9	P	1	1,500		
Bank	10.0	P	1	1,500		
Bank	10.1	P	1	1,500		
Bank	10.2	P	1	1,500		
Bank	10.3	P	1	1,500		
Bank	10.4	P	1	1,500		
Bank	10.5	P	1	1,500		
Bank	10.6	P	1	1,500		
Bank	10.7	P	1	1,500		
Bank	10.8	P	1	1,500		
Bank	10.9	P	1	1,500		
Bank	11.0	P	1	1,500		
Bank	11.1	P	1	1,500		
Bank	11.2	P	1	1,500		
Bank	11.3	P	1	1,500		
Bank	11.4	P	1	1,500		
Bank	11.5	P	1	1,500		
Bank	11.6	P	1	1,500		
Bank	11.7	P	1	1,500		
Bank	11.8	P	1	1,500		
Bank	11.9	P	1	1,500		
Bank	12.0	P	1	1,500		
Bank	12.1	P	1	1,500		
Bank	12.2	P	1	1,500		
Bank	12.3	P	1	1,500		
Bank	12.4	P	1	1,500		
Bank	12.5	P	1	1,500		
Bank	12.6	P	1	1,500		
Bank	12.7	P	1	1,500		
Bank	12.8	P	1	1,500		
Bank	12.9	P	1	1,500		
Bank	13.0	P	1	1,500		
Bank	13.1	P	1	1,500		
Bank	13.2	P	1	1,500		
Bank	13.3	P	1	1,500		
Bank	13.4	P	1	1,500		
Bank	13.5	P	1	1,500		
Bank	13.6	P	1	1,500		
Bank	13.7	P	1	1,500		
Bank	13.8	P	1	1,500		
Bank	13.9	P	1	1,500		
Bank	14.0	P	1	1,500		
Bank	14.1	P	1	1,500		
Bank	14.2	P	1	1,500		
Bank	14.3	P	1	1,500		
Bank	14.4	P	1	1,500		
Bank	14.5	P	1	1,500		
Bank	14.6	P	1	1,500		
Bank	14.7	P	1	1,500		
Bank	14.8	P	1	1,500		
Bank	14.9	P	1	1,500		
Bank	15.0	P	1	1,500		
Bank	15.1	P	1	1,500		
Bank	15.2	P	1	1,500		
Bank	15.3	P	1	1,500		
Bank	15.4	P	1	1,500		
Bank	15.5	P	1	1,500		
Bank	15.6	P	1	1,500		
Bank	15.7	P	1	1,500		
Bank	15.8	P	1	1,500		
Bank	15.9	P	1	1,500		
Bank	16.0	P	1	1,500		
Bank	16.1	P	1	1,500		
Bank	16.2	P	1	1,500		
Bank	16.3	P	1	1,500		
Bank	16.4	P	1	1,500		
Bank	16.5	P	1	1,500		
Bank	16.6	P	1	1,500		
Bank	16.7	P	1	1,500		
Bank	16.8	P	1	1,500		
Bank	16.9	P	1	1,500		
Bank	17.0	P	1	1,500		
Bank	17.1	P	1	1,500		
Bank	17.2	P	1	1,500		
Bank	17.3	P	1	1,500		
Bank	17.4	P	1	1,500		
Bank	17.5	P	1	1,500		
Bank	17.6	P	1	1,500		
Bank	17.7	P	1	1,500		
Bank	17.8	P	1	1,500		
Bank	17.9	P	1	1,500		
Bank	18.0	P	1	1,500		
Bank	18.1	P	1	1,500		
Bank	18.2	P	1	1,500		
Bank	18.3	P	1	1,500		
Bank	18.4	P	1	1,500		
Bank	18.5	P	1	1,500		
Bank	18.6	P	1	1,500		
Bank	18.7	P	1	1,500		
Bank	18.8	P	1	1,500		
Bank	18.9	P	1	1,500		
Bank	19.0	P	1	1,500		
Bank	19.1	P	1	1,500		
Bank	19.2	P	1	1,500		
Bank	19.3	P	1	1,500		
Bank	19.4	P	1	1,500		
Bank	19.5	P	1	1,500		
Bank	19.6	P	1	1,500		
Bank	19.7	P	1	1,500		
Bank	19.8	P	1	1,500		
Bank	19.9	P	1	1,500		
Bank	20.0	P	1	1,500		
Bank	20.1	P	1	1,500		
Bank	20.2	P	1	1,500		
Bank	20.3	P	1	1,500		
Bank	20.4	P	1	1,500		
Bank	20.5	P	1	1,500		
Bank	20.6	P	1	1,500		
Bank	20.7	P	1	1,500		
Bank	20.8	P	1	1,500		
Bank	20.9	P	1	1,500		
Bank	21.0	P	1	1,500		
Bank	21.1	P	1	1,500		
Bank	21.2	P	1	1,500		
Bank	21.3	P	1	1,500		
Bank	21.4	P	1	1,500		
Bank	21.5	P	1	1,500		
Bank	21.6	P	1	1,500		
Bank	21.7	P	1	1,500		
Bank	21.8	P	1	1,500		
Bank	21.9	P	1	1,500		
Bank	22.0	P	1	1,500		
Bank	22.1	P	1	1,500		
Bank	22.2	P	1	1,500		
Bank	22.3	P	1	1,500		
Bank	22.4	P	1	1,500		
Bank	22.5	P	1	1,500		
Bank	22.6	P	1	1,500		
Bank	22.7	P	1	1,500		
Bank	22.8	P	1	1,500		
Bank	22.9	P	1	1,500		
Bank	23.0	P	1	1,500		
Bank	23.1	P	1	1,500		
Bank	23.2	P	1	1,500		
Bank	23.3	P	1	1,500		
Bank	23.4	P	1	1,500		
Bank	23.5	P	1	1,500		
Bank	23.6	P	1	1,500		
Bank	23.7	P	1	1,500		
Bank	23.8	P	1	1,500		
Bank	23.9	P	1	1,500		
Bank	24.0	P	1	1,500		
Bank	24.1	P	1	1,500		
Bank	24.2	P	1	1,500		
Bank	24.3	P	1	1,500		
Bank	24.4	P	1	1,500		
Bank	24.5	P	1	1,500		
Bank	24.6	P	1	1,500		
Bank	24.7	P	1	1,500		
Bank	24.8	P	1	1,500		
Bank	24.9	P	1	1,500		
Bank	25.0	P	1	1,500		
Bank	25.1	P	1	1,500		
Bank	25.2	P	1	1,500		
Bank	25.3	P	1			

SECRET

S & P:	
DOW:	I R U
Volume	2546 7560

[illegible]

2172

FUND EVE

SAP:

Trailer HESMAN

DOW:

Date Dec 1

Volume:

Brkage Brkage	Time/Date Ship/Price	Code	Fund Sig R S	Total Auth. Security	Exec'd Today	Activity
W. H. H.	3:27	L	A	6600		
	3:00 C 65	L	B	300		
Lee	3:24	L	B	10000		
Lee	3:25	L	B	3000		
Lee	3:27	L	B	000		
Lee	4:00 C 31	L	B	400	400	4:45 -100 C 30 1/2 -100 C 30 1/2 - 4/100 C 31
Lee	3:18	L	B	000		
Lee	3:00 C 44 1/2	L	B	300		
Lee	3:11	L	B	000		
Lee	3:00 C 30 1/2	L	B	300	300	11:04 300 C 33
Lee	3:26	L	B	000		
Lee	3:00 C 36	L	B	000		9:50 CXL
Lee	3:27	L	A	000		
	3:00 C 36	L	B	000		
Lee	3:27	L	A	000		
Lee	3:27	L	A	000		10:10
Lee	3:27	L	B	000		10:10
Lee	3:28	L	A	000		1:50
Lee	3:28	L	B	000	3200	3200 C 28 1/2
Lee	3:27	L	C	000		
Lee	4:00 C 19	L	B	000		
Lee	3:27	L	B	000		
Lee	4:00 C 41 1/2	L	B	000		
Lee	9:13	L	A	000		
Lee	20:00 C 18 1/2	L	B	000	2000	9:47 -2000 C 18 1/2 16,000 C 18 1/2
Lee	9:46	L	A	000		
Lee	10:00 C 20 1/2	L	B	000	0,000	10:30 -300 C 20 1/2 -9700 C 20 1/2
Lee	8:36	L	A	000		
Lee	25:00 C 18 1/2	L	B	25,000	8,700	-100 C 18 1/2 300 C 18 1/2 600 C 18 1/2 2400 C 18 1/2 10:15
Lee	9:40	L	A	000		
Lee	5:40 C 30 1/2	L	B	5000	100	-4.00 C 48 1/2
Lee	10:04	L	A	000		
Lee	10:04	L	B	000	2,800	11:45 200 C 15 1/2 1,000 C 16 2600 C 16 1/2
Lee	10:04	L	A	000		
Lee	11:00	L	A	000		
Lee	11:00	L	B	000	500	11:45 200 C 23 1/2 300 C 24
Lee	11:00	L	A	000		
Lee	11:00	L	B	000	400	12:03 400 C 33 1/2

2174

FUND EVF
 Trade THORNTON
 Date APR 3

S & P:

DOW:

Volume:

I
R
U

Order Date	Time Date Sh Price	Code	Fund Mg B-S	Total Auth Security	Exec'd Today	Activity
3:27		E	B	500		
3:27	300 @ 45	E	B	300		
3:27		R	B	500		12:13
3:27	300 @ 30	R	B	300	400	400 @ 47 1/2 N
3:27		R	B	010		
3:27	300 @ 4 1/2	R	B	300		
3:27		R	H	500		1:00
3:27	300 @ 34 1/2	R	B	300	500	500 @ 33 1/2 Ac
3:27		E	B	800		
3:27	100 @ 8 1/2	R	B	800		
3:27		R	B	100		10% A
3:27		R	B	100		10% B
3:27		R	B	500		1:05
3:27	500 @ 24 1/2	R	B	500		500 @ 24 1/2 N
3:27		R	B	400		
3:27	400 @ 27	R	B	400		
3:27		R	B	400		Don Williams CXC 2:42
3:27		R	B	400		
4:1		R	H	500		12:15
4:1	500 @ 13 1/2	R	B	500	500	- 460 @ 13 1/2 500 @ 13 1/2 - 4400 @ 13 1/2 1000 @ 13 1/2
4:1		R	H	900		9:25
4:1	900 @ 50 1/2	R	B	900	900	- 800 @ 48 1/2
4:1		R	H	500		1:00
4:1	500 @ 10	R	B	500	500	- 500 @ 10 Ac
4:1		R	H	2000		10:00
4:1	300 @ 24 1/2	R	B	300	300	500 @ 24 1/2 100 @ 24 1/2 200 @ 24
4:1		R	B	300	300	12:10
4:1	300 @ 33 1/2	R	B	300	300	300 @ 33 1/2 Ac
4:1		R	H	50		12:15
4:1	50 @ 34 1/2	R	B	50	50	50 @ 34 1/2 N

REPORTING OFFICER:

S & P: 1
DOW: A
U
Volume:

2/7

2177

DEFENDANT DUBOFF'S EXHIBIT Y-STATEMENT

<u>DATE</u>	<u>PURCHASE ORDER OF TOTAL SHARES AVAILABLE AT BEGINNING OF DAY</u>	<u>PRICE</u>	<u>FVF</u> <u>DAILY AMOUNT EXECUTED</u>	<u>BALANCE AT END OF DAY</u>
3/18/69	20,000	@ 34	5,000 28-1/2 400 30	14,600
3/19	14,600	@ 34	800 31 200 32	13,600
3/20	13,600	@ 34	7,300 31-1/2	6,300
3/21	6,300	@ 34	500 @34	5,800
3/24	5,800	@ 34	200 @34	5,600
3/25	5,600	@34	500 @33-1/8 1,800 @34	3,300
3/28	3,300	@34	100 @33	3,200
4/1	3,200	@34	300 @32	2,900
4/2	2,900	@34	100 @32	2,800
4/3	2,800	@34	500 @33-1/4	2,300
4/7	2,300	@34	1,000 @33 200 @31 300 @32	800
4/9	800	@34	800 @33	-0-

2178

FVF

DATE	PURCHASE ORDER OF TOTAL SHARES AVAILABLE AT BEGINNING OF DAY	PRICE	DAILY AMOUNT EXECUTED	BALANCE AT END OF DAY
4/21/69	5,000	@34-35	1,000 @32 100 @33	
4/22			300 @33 500 @33	3,100
4/28	3,100	@Mkt NH) 1,000 @35-1/4	2,100
)	
)	
4/29	2,100	@Mkt NH) 1,100 @36-1/2) 1,000 @36-1/2	-0-

2179

FVF

<u>DATE</u>	<u>PURCHASE ORDER OF TOTAL SHARES AVAILABLE AT BEGINNING OF DAY</u>	<u>PRICE</u>	<u>DAILY AMOUNT EXECUTED</u>	<u>BALANCE AT END OF DAY</u>
5/7/69	15,000	MNH	1,000 41-1/2	14,000
5/8	14,000	"	300 41-1/2 300 42	13,400
5/9	13,400	"	600 41	12,800
5/12	12,800	"	200 42	12,600
5/14	12,600	"	600 47	12,000
5/19	12,000	"	100 52-1/2	11,900
5/20	11,900	"	100 52-1/2 200 53-1/2	11,600
5/21/69	11,600	MNH	10 100 53	11,500
6/2	11,500	"	1,000 42-1/2	10,500
6/9	10,500	"	300 43-1/2	10,200
6/13			Cancelled Balance	

FVF

<u>DATE</u>	<u>PURCHASE ORDER OF TOTAL SHARES AVAILABLE AT BEGINNING OF DAY</u>	<u>PRICE</u>	<u>DAILY AMOUNT EXECUTED</u>	<u>BALANCE AT END OF DAY</u>
6/13/69	13,000	MKT	300 43-1/2 500 42 300 42-1/2 800 41-1/2 200 42-1/2 300 42-1/2	10,600
6/26	10,600	"MKT NH	1,000 42-1/2 200 42-1/2	9,400
7/3	9,400	"	200 43	9,200
7/7	9,200	"	400 43	8,800
7/10	8,900	"	200 41-1/2	8,600
7/14	8,600	"	100 42 200 42-1/2	8,300
7/15	8,300	"	500 42-1/2	7,800
7/16	7,800	"	200 44 100 42-1/2	7,500
7/18	7,500	"	100 45 300 46	7,100
7/23	7,100	"	300 46	6,800
7/25	6,800	"	100 46	6,700
7/29	6,700	"	700 36-1/2 200 37 100 37-1/2	5,700
7/30	5,700	"	300 36-1/2	5,400

2181

FVF

<u>DATE</u>	<u>PURCHASE ORDER OF TOTAL SHARES AVAILABLE AT BEGINNING OF DAY</u>	<u>PRICE</u>	<u>DAILY AMOUNT EXECUTED</u>	<u>BALANCE AT END OF DAY</u>
9/8 /69	669	42 NH	200 42 69 42 400 42	
11/25	2,000	MNH	500 39-1/2 100 42 100 42-1/2 100 42-1/2	1,200
12/2	1,200	"	200 41-1/2 100 41-1/2	900
12/11	900	"	500 40	400
2/9/70	400	"	400 43	-0-

2182

FVF

<u>DATE</u>	<u>PURCHASE ORDER OF TOTAL SHARES AVAILABLE AT BEGINNING OF DAY</u>	<u>PRICE</u>	<u>DAILY AMOUNT EXECUTED</u>	<u>BALANCE AT END OF DAY</u>
4/17/70	3,000	MKT-NH-830 LIMIT @30	1,000 28-1/2 500 29-1/2	1,500
4/16	1,500	@30 "	1,000 28-1/2	500
4/22	500	@30 "	200 25 300 26	-0-

<u>DATE</u>	<u>PURCHASE ORDER OF TOTAL SHARES AVAILABLE AT BEGINNING OF DAY</u>	<u>PRICE</u>	<u>DAILY AMOUNT EXECUTED</u>	<u>BALANCE AT END OF DAY</u>
4/29/69	20,000	MNH	400 36-1/2 400 36-1/2	19,200
4/30	19,200	"	200 36 400 36	18,600
5/1	18,600	"	100 35 200 37	18,300
5/2	18,300	"	100 39 100 38 100 39	18,000
5/5	18,000	"	1,000 39	17,000
5/6	17,000	"	200 41-1/2 100 42 400 42 100 42	16,200
5/7	16,200	"	1,000 41-1/2 500 41-1/2	14,700
5/13	14,700	"	100 45 100 42-1/2 400 43 300 43-1/2	13,800
5/14	13,800	"	500 47	13,200
5/19	13,200	"	100 52-1/2	13,100
5/20	13,100	"	200 53-1/2	12,900
5/22	12,900	"	1,000 52-1/2	11,900
5/26	11,900	"	200 51	11,700
6/2	11,700	"	1,000 42-1/2 1,100 42-1/2	9,600
6/6	9,600	"	800 43-1/2	8,800

8,800 SHARES CANCELED

<u>DATE</u>	<u>PURCHASE ORDER OF TOTAL SHARES AVAILABLE AT BEGINNING OF DAY</u>	<u>PRICE</u>	<u>DAILY AMOUNT EXECUTED</u>	<u>BALANCE AT END OF DAY</u>
6/13/69	10,000	MNH MARKET	200 43 A/O. 6/10 800 42-1/2 A/O. 6/10 600 42 A/O. 6/11 400 42-1/2 A/O. 6/11 1,300 42-1/2 A/O. 6/11 1,000 41-1/2 A/O. 6/12 1,000 41-1/2 A/O. 6/12 1,000 42 A/O. 6/12 500 43	3,200
6/16	3,200	"	100 42-1/2	3,100
6/17	3,100	"	500 42-1/2 100 42-1/2	2,500
6/18	2,500	"	600 42-1/2	1,900
6/19	1,900	"	500 43	1,400
6/20/69	1,400	MNH	200 42-1/2	1,200
6/23	1,200	"	400 42-1/2	800
6/24	800	"	300 42-1/2 100 42-1/2	400
6/25	400	"	100 42-1/2 200 42-1/2	100
6/26	100	"	100 42-1/2	-0-

2185

FDF

<u>DATE</u>	<u>PURCHASE ORDER OF TOTAL SHARES AVAILABLE AT BEGINNING OF DAY</u>	<u>PRICE</u>	<u>DAILY AMOUNT EXECUTED</u>	<u>BALANCE AT END OF DAY</u>
7/10 /69	8,775	MNH	100 42 600 43 75 43	8,000
7/18	8,000	"	100 46	7,900
7/24	7,900	"	700 45-1/2	7,200
7/29	7,200	"	400 37-1/2	6,800
7/30	6,800	"	1,000 36-1/2	5,800
8/11	5,800	"	100 40	5,700
8/12	5,700	"	100 39-1/2	5,600
8/14	5,600	"	200 39	5,400
8/21	5,400	"	800 40 200 39 100 39 500 39	3,800
8/25	3,800	"	100 40 200 40	3,500
8/26	3,500	"	300 38-1/2	3,200
8/27	3,200	"	200 38-1/2	3,000
9/3	3,000	"	500 39	2,500
9/5	2,500	BALANCE CANCELED		

DATE	PURCHASE ORDER OF TOTAL SHARES AVAILABLE AT BEGINNING OF DAY	PRICE	DAILY AMOUNT EXECUTED	BALANCE AT END OF DAY
9/5/69	12,500	MNH	100 40 200 40	12,200
9/8	12,200	"	300 40	11,900
9/9	11,900	"	100 40	11,800
9/10	11,800	"	300 40-1/4	11,500
9/12	11,500	"	300 40-1/2 700 40-3/4	10,500
9/26	10,500	"	300 44 500 44 1/2	9,700
9/30	9,700	"	200 43-1/2	9,500
10/1/69	9,500	MNH	1,000 43 1,400 43 400 43-1/2	6,800
10/9	6,800		300 42-1/2 200 42-1/2 300 43-1/2	6,000
10/13	6,000		100 42-1/2	-0-
Buy	21,000			5,900 BALANCE CANCELED 20,900
10/14	20,900	MNH	100 42-1/2	20,800
10/15	20,800	"	100 41-1/2	20,700
10/20	20,700	"	200 41-1/2	20,500
10/21	20,500	"	200 41-1/2	20,300
10/22	20,300	"	300 41-1/2	20,000
10/24	20,000	"	400 42	19,600
10/28	19,600	"	100 41-1/2	19,500
10/29	19,500	"	1,000 42-1/2 1,200 42-1/2 300 43 200 44-1/2 100 43 100 44 100 44-1/2	16,500
10/30	16,500	CXL 10,000	500 44-1/2	6,000
11/3	6,000		100 44-1/2	5,900
11/4	5,900		100 44-1/2	5,800

FDF

<u>DATE</u>	<u>PURCHASE ORDER OF TOTAL SHARES AVAILABLE AT BEGINNING OF DAY</u>	<u>PRICE</u>	<u>DAILY AMOUNT EXECUTED</u>	<u>BALANCE AT END OF DAY</u>
11/5/69	5,800	MNH	1,000 44 600 44	4,200
11/6	4,200	"	100 43-1/2	4,100
11/7	4,100	"	100 43-1/3 300 43-1/4 300 43	3,400
11/11	3,400	"	500 43-1/2 100 43-1/2	2,800
11/12	2,800	"	500 42	2,300
11/13	2,300	"	400 42-1/2	1,900
11/14	1,900	"	100 42-1/2	1,800
11/17	1,800	"	400 41-1/2	1,400
11/19	1,400	"	500 40-1/2 100 41-1/2	800
11/20	800	"	400 39 200 37-1/2 200 38-1/4	
11/25			100 40	-0-

2188

FDF

<u>DATE</u>	<u>PURCHASE ORDER OF TOTAL SHARES AVAILABLE AT BEGINNING OF DAY</u>	<u>PRICE</u>	<u>DAILY AMOUNT EXECUTED</u>	<u>BALANCE AT END OF DAY</u>
Buy 1/19/70	6,800	MNH	1,000 44-1/2 1,000 44-1/2	4,800
1/19/70 1/19/70	4,800	MNH	1,000 44 1,000 44 2,800 44	-0-

2189

FIF

<u>DATE</u>	<u>PURCHASE ORDER OF TOTAL SHARES AVAILABLE AT BEGINNING OF DAY</u>	<u>PRICE</u>	<u>DAILY AMOUNT EXECUTED</u>	<u>BALANCE AT END OF DAY</u>
2/6/70	Buy 11,000	MNH	1,000 42 5,000 42 5,000 42	
2/13	Buy 4,000	"	1,000 45 1,000 45	2,000
2/14	Buy 2,000	"	1,000 46 1,000 46	-0-

DATE	PURCHASE ORDER OF TOTAL SHARES AVAILABLE AT BEGINNING OF DAY	FIF PRICE	DAILY AMOUNT EXECUTED	BALANCE AT END OF DAY
12/16/69	Buy 20,000	MNH	1,000 43-1/2	19,000
12/18	19,000	"	1,000 44-1/2 1,000 44-1/2 200 44-1/2 1,000 44-1/2	15,800
12/23/69	Buy 15,800	"	1,000 44-1/2 1,000 44-1/2	13,800
12/24	Buy 13,800	"	1,000 45	12,800
12/26	Buy 12,800	"	100 42-1/2	12,700
12/29	Buy 12,700	"	2,000 45 1,000 45	9,700
12/30	Buy 9,700	"	500 41-1/2 500 41-1/2 500 41-1/2 500 41-1/2	7,700
12/31	Buy 7,000	MNH	1,000 44 800 44 200 41-1/2	5,700
1/5/70	Buy 5,700	"	1,000 45 1,000 45 1,000 45	2,700
1/6/70	Buy 2,700	"	200 41-1/2 300 42-1/2	2,200
1/7/70	Buy 2,200	"	1,000 45 1,200 45	0

DEFENDANT

DEUTSH EXHIBIT "A" - REPORT ON RICHARD PACKING CO.

RICHARD PACKING CORPORATION

Price: 29-32		Earnings Per Share
Dividend: None	6/30/68	\$0.17
	6/30/69	\$0.35-\$0.50E
	6/30/70	\$2.50-\$2.75E

Background

Richard Packing is a small regional meat processor located in Minneapolis, Minn. The company's current business consists of purchasing raw meat and processing it into finished hamburger. The company's customers include large retail food stores, restaurants and short-order establishments. On June 30, 1968, the company reported sales and net income of approximately \$850,000 and \$85,000 respectively. For the year ending June 30, 1969 sales and earnings of \$1.25 million and \$150,000 are expected. The growth of sales and the high profit margins appear to be indicative of above-average management.

Richard Packing is headed by Milton Cohen who has substantial experience in real estate development as well as meat processing. A recent check with his New York bank indicates his character and credit are good, and his personal net worth is in excess of \$1 million.

The company recently entered into an agreement to acquire F. & T. Meats of New York who are substantially in the same business as Richard. Sales and earnings of \$1.2 million and \$80,000 respectively are anticipated for June 30, 1969. F & T. had sales of \$900,000 for the year ended December 31, 1968. Richard plans to issue a total of 20,000 shares for F. & T. depending upon the latter's achieving certain sales and profit levels in the future. Contacts indicate the principals of F. & T. are experienced in the meat processing business and Milton Cohen indicated the central reason for the acquisition was F. & T.'s capable management.

Richard Packing has been consistently profitable but is lacking working capital to undertake the large franchise operation currently being started. In order to raise needed capital, the company has negotiated a 50,000-share private placement with Value Line. The stock will be placed at \$28 per share and will have an 18-month registration restriction. This will increase the company's cash position by \$1.4 million.

It is unusually difficult to estimate the company's earnings for the year ending June 30, 1969. Allowing for the F. & T.

DEUTSH EXHIBIT "A"

acquisition, sales should be \$2.4 million with net income of \$230,000. This equals about 45 cents per share assuming 500,000 shares are outstanding; however, several franchises will have been sold and start-up expenses must be absorbed. Depending upon accounting principles employed, earnings should fall in the range of 35 cents-50 cents. From this point forward per-share estimates for Richard will be calculated on the basis of 550,000 shares outstanding, which represents the company's projected capitalization on a fully diluted basis.

Franchising

In the fall of 1968 Milton Cohen decided to enter Richard Packing into the franchising business. In January of this year he contracted for the services of Status Marketing which specializes in franchise sales. Bill Ward, the president of Status, has had a relatively long (8 years) and successful record in the franchise business. He has been involved with Ramada Inns, Roadway Inns of America and until last August with Diners Club. He quit Diners Club because of friction with a Mr. Fugazie who Mr. Ward felt was not giving the franchises enough follow-up assistance. I have checked on Mr. Ward through Chemical Bank in New York and Diners Club and got extremely favorable responses from both. He is reputed to be one of the foremost authorities on franchise sales in the United States.

Mr. Ward suggested, and Richard Packing accepted, the Circus Wagon theme for the franchise restaurants. Circus Wagon, as the name implies, is a take-off on the circus and will have a circus motif inside and out. There will be seating capacity for 56 people, standing room and tables for 18, and three take-out windows. A copy of the menu is attached.

Mr. Ward has indicated that offering a more diverse menu than the average franchise food operation will give the Circus Wagon a competitive advantage. In order to sell the franchise, Status Marketing has employed two people at each of its five regional offices throughout the United States to work exclusively on the Circus Wagon. One person will concentrate on selling the franchise and the other will specialize in obtaining favorable locations for the buildings. In order to attract top men, Status is paying each salesman involved with Circus Wagon a \$24,000-a-year draw plus \$1,200 for each Circus Wagon franchise he sells over two a month. Status Marketing is 20% owned by Richard Packing.

The Franchise Package

The franchisee can get a Circus Wagon for \$35,000. The breakdown on this is as follows:

DEUTSH EXHIBIT "A"

\$13,000+	- Richard Packing
9,500	- Down payment on equipment
5,500	- Working Capital
6,000	- Status Marketing
1,000	- Training school
<hr/>	
\$35,000	

Status Marketing considers gross sales of \$250,000 the minimum it expects its franchisees to be able to obtain and will not sell a location where this sales volume is not reasonable. Breakeven for the average franchise is between \$160,000 and \$170,000. The following form is a breakdown of a pro-forma statement of income to the franchisee based on \$250,000, \$300,000, \$350,000 gross sales volume. In order to accurately calculate the net income to the franchise, \$10,200 must be subtracted from the net to account for the equipment lease and refurbishing expenses along with \$840.00 per year cash register lease expense and \$800.00 sign maintenance expense. These expenses amount to \$11,800 per year and leave net to the franchise owner of \$28,700 on \$250,000 gross sales, \$42,700 on \$300,000 and \$58,270 on \$350,000. Status believes that some franchise will yield over \$350,000 a year gross. Construction is slated to start around the first of April on two Circus Wagons in Southern California one across from Disneyland on which gross sales of \$500,000+ are estimated and one across from San Fernando State College on which gross of \$400,000+ per year is estimated.

Income to Richard Packing

Income from the franchisee will accrue to Richard Packing in five ways:

1. Initial franchise payment
2. Royalty payment
3. Equipment and refurbishing financing
4. Land and building financing
5. Food sales

I. Franchise payment.

Of the initial cash required of the franchisee, \$14,000 goes to Richard Packing. Of this \$14,000, somewhat less than \$1,000 is required to put the franchisee or his manager through the company operated training school so about \$13,000+ per franchise sold will accrue to the company.

II. Royalty payments.

Richard Packing will receive 2% of the gross sales of each of the Circus Wagon franchises. If the average annual gross sales of each franchise is \$250,000, the company will receive \$7,500.

III. Equipment Financing.

Richard Packing has formed a subsidiary known as Richard Franchise Investments to finance the equipment, land and buildings of franchisees. Richard Franchise will have a public offering within the next 30 days underwritten by the company. The purpose of the offering is to raise \$2.0 million in order to commence financing operations. After the offering, Richard Packing will own 60% of R.F.I., and the public will own 40%. The 60% ownership will be consolidated into Richard's income statement.

The price for the equipment package is \$57,261.19 minus the \$9,500 down payment. This leaves a balance of \$47,761.19. The company finances the unpaid balance over a 10-year period for approximately \$10,200 per year. This cost also includes a complete refurbishing of the facilities after the 40th and 80th months. The company estimates the refurbishing costs at \$6,000 per time. The equipment supplied is security against the loan. R.F.I. feels this is satisfactory collateral as they have a market for the used equipment if necessary.

IV. Land and Building Financing

When a location is agreed upon, R.F.I. leases the land, builds the building and assumes all liabilities. R.F.I. then charges the franchisee its monthly costs on the package plus 20% or 7% of the gross sales whichever is higher.

V. Food Sales

There is a law which prohibits an agreement between the franchisee and the franchisor which requires the franchisee to purchase supplies from the franchisor. However, Richard feels that they can be a competitive supplier in most parts of the country and feel they will be able to significantly increase their food sales. Precise dollar amounts of food to be sold as well as the benefits therefrom are impossible to predict, so I used what I consider conservative estimates in my calculations.

Fun Buggy Corporation

The Fun Buggy Corporation is completely divorced from the Circus

DEUTSH EXHIBIT "A"

Wagon operation; however, it is 80% owned by Richard Packing. The company is in its infancy and is currently not a large factor in the Richard picture, but it could have substantial importance in the near future.

The company produces a small car which is aptly described as a recreational vehicle. It has a fiber glass body on a V.W. frame with a V.W. engine and a canopy over the top. I have seen the vehicle and can attest to the fact that they are unique and appealing. The car is not meant to be driven off the road as a "Dune Buggy" - it is purely for use in resorts where people want a novel car to drive while they are there. The only people currently using the Fun Buggy is the Island Tour Company in Oahu. This one market has the company backordered 250 units, which is substantial considering production is currently running at approximately 4 units a day. Within the next 3 months management hopes to bring production up to 7-10 cars a day and begin opening other resort markets. Status Marketing is currently doing a feasibility study on the economics of having franchise dealerships renting these vehicles at resorts throughout the world. A finalized proposal should be ready within 3 months.

The cars retail at approximately \$2,600 with \$500-\$600 profit in each one. The potential for this operation appears to be quite large, but again any definitive numbers are impossible to project. The Fun Buggy Corporation plans a public offering within the near future to raise money for their expansion. After the offering Richard Packing will own 60%, Fun Buggy management 20% and the public 20%.

Earnings Estimates

Because of the relatively early stages of development the company is in, an unusual amount of credence must be placed on the estimates of people involved. I have run what I consider thorough checks on all of the principals of Richard Packing and Status Manufacturing, and I consider their projections to be reliable. I have used the conservative end of all projections given to me and of all that I have made. The following figures are more to give you an idea of what the company is capable of doing as opposed to making a precise earnings estimate. It is easy to visualize that some measure of success should allow for a rather dramatic move in the company's stock from current levels.

As previously mentioned, Richard Packing will report somewhere between 35 cents and 50 cents for the year ending 6/30/69 against 17 cents for the year earlier. I believe that this projection could be somewhat conservative, but June of 1970 is the accounting period which will be meaningful as several franchises will be in operation and several more sold.

DEUTSH EXHIBIT "A"

By 6/30/69 there should be at least 16 Circus Wagon restaurants in operation, and Bill Ward estimates he will have a minimum total of 30 sold. The company wants to get at least one open in every geographical area as soon as possible in order to facilitate the sale of others. Between 6/30/69 and 6/30/70 Bill Ward estimates Status can sell 150+ franchises. For my calculations I estimated 120 franchise sales for the year with approximately the same number in some stage of operation or construction.

Estimated Income to Richard Packing as of June 30, 1970

	<u>Gross</u>	<u>Net</u>
1. Franchise sales - est. 120 at \$13,000	\$1.56 mil.	\$1.56 mil.
2. 3% royalty on gross sales per unit - est. 90 in some stage of operation by 6/30/70 with avg. sales from each of \$100,000	\$270,000	\$270,000
3. Richard Franchise Investment equipment lease payment - est. 90 units in operation with avg. payment period 6 mos. at \$10,200 per year (60% owned by Richard Packing)	\$460,000	\$275,000
4. R.F.I. land & Bldg. leasing - est. 120 units where construction commenced during the year. Because very few units will be up to expected gross income levels where 7% of gross is the applicable payment, I used the 20% mark-up method of calculating income. I anticipated the average length of lease payment is 6 mos. on 120 locations at average annual lease expense of \$15,000 per unit.	\$360,000	\$210,000
5. Food sales. The company estimates that for every 25 Circus Wagon restaurants in operation, the company can sell 1,000,000 lbs. of hamburger meat. Richard will do approx. \$230,000 net this year, and I estimate \$300,000 for 6/30/70	\$350,000	\$300,000

6. Fun Buggy - est. production of at least 3 per day for the year with a net profit of \$500 per vehicle. (the company will be 60% owned by Richard)

\$375,000

\$225,000

TOTAL

\$3.375 mil. \$2.85 mil.

1.42 mil

50% tax

550,000 shares = \$2.58 per share

For the present I am using a \$2.50-\$2.75 range for 6/30/70. It will be easy to keep track of what is happening and to keep you updated. Simple arithmetic can illustrate what can happen if my figures are conservative. Whatever is reported for 6/30/70, the figure should at least double in 1971.

M.T. Papworth

March 18, 1969

GRAND SPECIAL

GREATEST
BURGER
ON EARTH
★
FRENCH FRIES
★
MILKSHAKE

HOT
ROAST BEEF
SANDWICH
★
FRENCH FRIES
★
MILKSHAKE

FOOT LONG
HOT DOG
★
FRENCH FRIES
★
MILKSHAKE

GREATEST BURGER

CHEESEBURGER

HAMBURGER

FOOT LONG HOT DOG

FISH SANDWICH

CHICKEN—3 PIECES

WHOLE CHICKEN

CHICKEN—21 PIECES

FRENCH FRIES

ONION RINGS

MILKSHAKE

MILK

COFFEE

SODA LARGE

SODA SMALL

SLUSH

COTTON CANDY

CANDY APPLE

POPCORN

PEANUTS

CIRCUS WAGON EQUIPMENT PACKAGE

CODE ITEM — NOTES

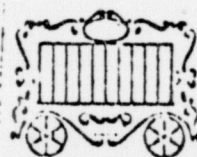
CW 1,2	WALK IN COOLER AND FREEZER: Racks, Doors, and Cooling System Only
CW 4	S/S WORK TABLE: Custom Made
CW 5	ROLL-UNDER WORK TABLE: Custom Made
CW 6	MICRO-WAVE OVEN: # EM 1 Garland
CW 7	EMBERGLO FRESHOMATIC "AR-10"
CW 8	S/S WORK TABLE W/FREEZER, BASE SECTION S/C
CW 9	SINKS W/DRAINBOARD: 7'
CW 10	FLEXHOSE SPRAY RINSE
CW 11	L/P WORK TABLE
CW 12	S/S WORK COUNTER: 19' X 5'
CW 14	GRIDDLE ON STAND: Garland # 24-72 FD
CW 15	COFFEE MAKER: Cory # C5005
CW 16	LILLY CUP DISPENSERS: 3
CW 18	HEATED HOLDING CAB:
CW 19	MARIOTT M-63 TOASTER: For Buns
CW 20	COFFEE WARMER: Model # CH2 A W Cory
CW 22	FRYERS: 3 GE CK 55 W/Port Stand
CW 23	FRY DUMP W/SLIDE ASSY AND HEAT ROD OVEN
CW 24	TAYLOR FREEZER MACHINE: # 444
CW 25	HAND SINK: Built into Front Counter
CW 26	MALT MIXER: 3 Heads
CW 27	ICE CREAM CAB: Kelvinator # 6DF
CW 28	DISPLAY CASE FOR CANDY APPLES: 5'
CW 29	COTTON CANDY MACHINES: Gold Medal Whirlwind Deluxe
CW 29a	POPCORN MACHINE: 89D
CW 33	CUP DISPENSERS: 4 Lilly
CW 34	WATER BUBBLER
CW 35	TRASH RECEPTICLES: 3, Approved Type
CW 36	ASH URNS: 3, Approved Type
CW 37	SLUSH FREEZER: Taylor # 340
CW 38	BOOTHES AND SETTEES: Custom Made
CW 39	DINING CHAIRS: 4, Approved Type
CW 40	TABLE TOPS AND BASES: 16, Custom Made
CW 41	STAND-UP EATING COUNTERS W/UMBRELLAS: 2, Custom Made
CW 42	ICE MACHINE FLAKER: Scottsman # SF2wSA
CW D-1	FIBERGLAS WALL DECOR UNITS: 4 Frame Units
CW D-2	FIBERGLAS WALL DECOR UNITS: 4 Wagons, 2 Large, and 2 Small
CW S-1	COMPLETE, ILLUMINATED, CUSTOM SIGNS: Top of Building 6' X 30' and Free Standing 20' Plus Base

Total Installed Price for Cash Purchase of above Equipment

\$57,261.19

GREGG'S WAGON

PRO-FORMA STATEMENT OF INCOME



	\$250,000 VOLUME		\$300,000 VOLUME		\$350,000 VOLUME	
	\$	%	\$	%	\$	%
Net Sales	<u>\$250,000</u>	<u>100.0</u>	<u>\$300,000</u>	<u>100.0</u>	<u>\$350,000</u>	<u>100.0</u>
Cost of Sales						
Food	\$ 96,000	38.4	\$115,200	38.4	\$134,400	38.4
Paper Goods	13,500	5.4	16,200	5.4	18,900	5.4
Total Cost of Sales	<u>\$109,500</u>	<u>43.8</u>	<u>\$131,400</u>	<u>43.8</u>	<u>\$153,300</u>	<u>43.8</u>
Gross Profit	<u>\$140,500</u>	<u>56.2</u>	<u>\$168,600</u>	<u>56.2</u>	<u>\$196,700</u>	<u>56.2</u>
Operating Expenses						
Variable Expenses						
Royalty	\$ 7,500	3.0	\$ 9,000	3.0	\$ 10,500	3.0
Local Advertising	10,000	4.0	12,000	4.0	14,000	4.0
National Advertising	3,750	1.5	4,500	1.5	5,250	1.5
Rent	17,500	7.0	21,000	7.0	24,600	7.0
Real Estate and Personal						
Property Taxes	2,000		2,400		2,800	
Total Variable Expense	<u>\$ 40,750</u>	<u>16.3</u>	<u>\$ 48,900</u>	<u>16.3</u>	<u>\$ 57,050</u>	<u>16.3</u>
Semi-Variable Expenses						
Manager's Salary	\$ 8,400		\$ 9,600		\$ 10,500	
Other Salaries	33,850		37,200		39,550	
Payroll Taxes	3,250		3,600		3,850	
Maintenance and Repairs	2,000		2,400		2,800	
Utilities	5,000		5,150		5,250	
Insurance	1,500		1,625		1,750	
Scavenger and Exterminator	750		900		1,050	
Linen Service	1,250		1,300		1,350	
Telephone	250		300		325	
Accounting & Legal	1,000		1,025		1,050	
Office Supplies, Postage, and						
Freight	1,000		1,025		1,050	
Miscellaneous	1,000		1,025		1,050	
Total Semi-Variable Expense	<u>\$ 59,250</u>	<u>23.7</u>	<u>\$ 65,150</u>	<u>21.7</u>	<u>\$ 69,575</u>	<u>19.9</u>
Total Operating Expense	<u>\$100,000</u>	<u>40.0</u>	<u>\$114,050</u>	<u>38.0</u>	<u>\$126,625</u>	<u>35.2</u>
Net Income*	<u>\$40,500</u>	<u>16.2</u>	<u>\$54,550</u>	<u>18.2</u>	<u>\$70,075</u>	<u>20.0</u>

*Net income is before income taxes, depreciation and/or equipment lease payments.

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• DEFENDANT DEUTSCH'S EXHIBIT N-LETTER DATED 3/19/69

LOOMIS • SAYLES & COMPANY

INCORPORATED

611 WEST SIXTH STREET
LOS ANGELES, CALIFORNIA 90017

March 19, 1969

Mr. Bernard Deutsch
Jaffee & Co.
50 Broadway
New York, N. Y. 10005

Dear Bernie:

Enclosed you will find a copy of my
report on Richard Packing. Please advise me if
you think any changes are necessary in the context.

Best regards

LOOMIS, SAYLES & COMPANY, INC.

Michael T. Papworth
Michael T. Papworth

Enclosure

AFFIDAVIT OF PERSONAL SERVICE

STATE OF NEW YORK,
COUNTY OF RICHMOND ss.:

EDWARD BAILEY being duly sworn, deposes and says, that deponent is not a party to the action, is over 18 years of age and resides at 286 Richmond Avenue, Staten Island, N.Y. 10302. That on the 6 day of Dec., 1974 at No. U.S. Ct. House Fed. Sq. N.Y.C. deponent served the within Appellate upon U.S. Atty. the Appellee herein, by delivering a true copy thereof to him personally. Deponent knew the person so served to be the person mentioned and described in said papers as the Appellee therein.

Sworn to before me,
this 6 day of Dec 1974

Edward Bailey
.....
Edward Bailey

William Bailey
.....
WILLIAM BAILEY

Notary Public, State of New York
No. 43-0182945

Qualified in Richmond County
Commission Expires March 30, 1976